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2026/0137 (NLE)

Proposal for a

COUNCIL DECISION

on guidelines for the employment policies of the Member States

EXPLANATORY MEMORANDUM

The Treaty on the Functioning of the European Union requires Member States to regard their economic policies and promoting employment as a matter of common concern and to coordinate their action within the Council. The Council is required to adopt employment guidelines (Article 148), which must be consistent with the broad economic policy guidelines (Article 121).

While the broad economic policy guidelines are valid on an ongoing basis, the employment guidelines need to be drawn up each year. Both sets of guidelines were adopted together (‘integrated package’) in 2010 and underpinned the Europe 2020 strategy. Revised integrated guidelines were adopted in 2015. For the employment guidelines, a practice has developed since 2018 of alternating between a full update (covering both recitals and guidelines proper) every other year, and a ‘reconduction’ (updating the recitals while keeping the guidelines proper unchanged) in the intermediate year. Following a full update in 2024, a reconduction was carried out in 2025. Thus, this year both guidelines proper and recitals are being updated. New elements are brought into the guidelines, notably on: (i) job quality (related to the Quality Jobs Roadmap presented by the Commission in December 2025 and the work of the Employment Committee (EMCO) on the various dimensions of job quality and related monitoring framework); (ii) skills and education (in line with the new Council Recommendation on Human Capital put forward by the Commission in November 2025 and adopted by the Council in March 2026); and (iii) poverty reduction and social inclusion (in line with the Anti-Poverty Strategy put forward by the Commission in May 2026). The guidelines have also been significantly streamlined to avoid repetitions and improve readability. The recitals have likewise been updated to the current socio-economic context and the most recent policy initiatives.

Along with the broad economic policy guidelines, the employment guidelines are presented as a Council Decision on guidelines for the employment policies of the Member States (Part II of the Integrated Guidelines) and provide the basis for country specific recommendations in the respective domains.

The revised “Employment Guidelines” are the following:

Guideline 5: Boosting the demand for labour

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

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

Guideline 8: Promoting equal opportunities for all, fostering social inclusion, preventing and fighting poverty

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 148(2) thereof,

Having regard to the proposal from the European Commission,

Having regard to the opinion of the European Parliament ⁽¹⁾,

Having regard to the opinion of the European Economic and Social Committee ⁽²⁾,

After consulting the Committee of the Regions,

Having regard to the opinion of the Employment Committee ⁽³⁾,

Whereas:

- (1) Member States and the Union are to work towards developing a coordinated strategy for employment and in particular for the promotion of a skilled, trained and adaptable workforce, as well as inclusive and resilient labour markets, with a view to achieving the objectives of full employment and social progress, and balanced economic growth laid down in Article 3 of the Treaty on European Union (TEU). Member States are to regard promoting employment as a matter of common concern and to coordinate their action in that respect within the Council.
- (2) The Union is to combat social exclusion and discrimination, and to promote social justice and protection, equality between women and men, solidarity between generations and the protection of the rights of the child as laid down in Article 3 TEU. In defining and implementing its policies and activities, the Union is to take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health as laid down in Article 9 of the Treaty on the Functioning of the European Union (TFEU).
- (3) In accordance with the TFEU, the Union has developed and implemented an integrated policy coordination framework for economic and employment policies in the context of the European Semester ⁽⁴⁾. The European Semester is aligned with the Competitiveness Compass, which provides a framework to boost competitiveness by

¹ Opinion of tbd DATE 2026 (not yet published in the Official Journal).

² Opinion of tbd DATE 2026 (not yet published in the Official Journal).

³ Opinion of tbd DATE 2026 (not yet published in the Official Journal).

⁴ Regulation (EU) 2024/1263 of the European Parliament and of the Council of 29 April 2024 on the effective coordination of economic policies and on multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97 (OJ L, 2024/1263, 30.4.2024, ELI: <http://data.europa.eu/eli/reg/2024/1263/oj>).

closing the innovation gap, decarbonising our economy, reducing excessive dependencies and increasing security. The Compass identifies skills, quality jobs and social fairness among the horizontal enablers. The European Semester also integrates the principles of the European Pillar of Social Rights, proclaimed by the European Parliament, the Council and the Commission in November 2017 ⁽⁵⁾. It relies on the Social Scoreboard as its monitoring tool. The Social Scoreboard also provides the basis for an analysis of risks and challenges to upward social convergence in the Union, in the framework of the Social Convergence Framework ⁽⁶⁾. The European Semester provides for strong engagement with social partners, civil society and other stakeholders. The Semester is also complemented by the Digital Decade Policy Programme governance and recommendations.

- (4) As part of this framework, the guidelines for the employment policies of the Member States (the ‘Employment Guidelines’), set out in the Annex to this Decision, together with the broad guidelines for the economic policies of the Member States and of the Union, set out in Council Recommendation (EU) 2015/1184 ⁽⁷⁾, form the Integrated Guidelines. The Employment Guidelines are to guide policy implementation in the Member States and in the Union, reflecting the interdependence between the Member States. The resulting set of coordinated Union and national policies constitutes an appropriate economic, employment and social policy mix. It should achieve positive spill-over effects for labour markets and society at large, strengthen economic and social resilience, and effectively respond to medium- and longer-term challenges, including the need to strengthen competitiveness, innovation and productivity and the Union’s strategic autonomy. The economic and employment policies of the Union and the Member States should go hand in hand with the Union’s fair transition to a climate-neutral, environmentally sustainable and digitally sovereign economy.
- (5) The Employment Guidelines are consistent with the revised economic governance framework of the Union, which entered into force on 30 April 2024 ⁽⁸⁾, and with existing Union legislation and Union initiatives. These include inter alia the Commission Communications on the Union of Skills, of 5 March 2025 ⁽⁹⁾, and on the European Union’s Anti-Poverty Strategy: addressing and preventing poverty from childhood to old age, of 6 May 2026, and the Council Recommendation on Human Capital in the European Union of 9 March 2026.
- (6) The European Pillar of Social Rights sets out twenty principles and rights to support well-functioning and fair labour markets and welfare systems. They are structured around equal opportunities and access to the labour market, fair working conditions, and social protection and inclusion. These principles and rights give strategic direction to the Union. The European Pillar of Social Rights, with its accompanying Social Scoreboard, also constitutes guidance to monitor the employment, skills and social performance of Member States and upward social convergence in the Union, in the

⁵ Interinstitutional Proclamation on the European Pillar of Social Rights (OJ C 428, 13.12.2017, p. 10).

⁶ See Art. 3(3)b and recital 8 of Regulation (EU) 2024/1263 of the European Parliament and of the Council of 29 April 2024.

⁷ Council Recommendation (EU) 2015/1184 of 14 July 2015 on broad guidelines for the economic policies of the Member States and of the European Union (OJ L 192, 18.7.2015, p. 27).

⁸ Regulation (EU) 2024/1263 of the European Parliament and of the Council of 29 April 2024 on the effective coordination of economic policies and on multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97 (OJ L, 2024/1263, 30.4.2024, ELI: <http://data.europa.eu/eli/reg/2024/1263/oj>).

⁹ COM(2025) 90 final.

European Semester. The Pillar drives reforms and investments at national, regional and local levels, allowing to reconcile the ‘social’ and the ‘market’ in today’s modern economy.

- (7) On 4 March 2021, the Commission put forward an Action Plan for the implementation of the European Pillar of Social Rights. This included ambitious yet realistic Union headline targets for 2030 on employment (at least 78% of the population aged 20-64 should be in employment), skills (at least 60% of all adults should participate in training every year) and poverty reduction (at least 15 million fewer people should be at risk of poverty or social exclusion, including 5 million children) (the ‘Union headline targets for 2030’). It also included complementary sub-targets, as well as a revised Social Scoreboard. The Union headline targets for 2030 were welcomed by the Heads of State or Government at the Porto Social Summit of May 2021 and by the June 2021 European Council. They support, together with the Social Scoreboard, the monitoring of progress towards the implementation of the principles of the European Pillar of Social Rights in the European Semester. Against this background, Member States also set ambitious national targets which, taking due account of the starting position of each Member State, constitute an adequate contribution to the achievement of the three Union headline targets for 2030.
- (8) The implementation of the European Pillar of Social Rights and progress on the Union and national headline targets for 2030 is monitored in the Joint Employment Report which was adopted by the Council in March 2026 and is integrated into the monitoring tools for the European Semester. The Joint Employment Report contains a ‘first-stage country analysis’ on potential risks to upward social convergence in line with the Social Convergence Framework. The latter identifies Member States which experience potential risks to be examined in a deeper ‘second-stage analysis’.
- (9) The Integrated Guidelines serve as a basis for the country-specific recommendations addressed by the Council to Member States under the European Semester. While the Integrated Guidelines are addressed to Member States and the Union, they should be implemented in partnership with all national, regional and local authorities, closely involving parliaments, as well as social partners and representatives of civil society. Labour market and social reforms should observe national practices of social dialogue and collective bargaining, as well as the autonomy of social partners. The importance of social dialogue in tackling challenges in the world of work was reaffirmed at the 2024 Val Duchesse Summit and in the Pact for European Social Dialogue signed in March 2025.
- (10) Member States should make full use of available EU funding, in particular the European Social Fund Plus and the Social Climate Fund, to foster quality employment and skills, fight against poverty and support employment and social reforms and investments. This includes fighting social exclusion, combatting discrimination, ensuring accessibility and inclusion, and promoting upskilling and reskilling opportunities for the workforce, lifelong learning and high-quality education and training for all. For the funding period post-2027, the National and Regional Partnership Plans (NRPPs) will continue promoting and strengthening integrated efforts in these areas. The Employment Guidelines should inform the programming of the NRPPs. In the context of the overarching decarbonisation objectives of the Union,

the Social Climate Fund ⁽¹⁰⁾ will be key in addressing the needs of vulnerable households, vulnerable transport users and vulnerable micro-enterprises.

- (11) The Employment Committee and the Social Protection Committee should monitor how the relevant policies are implemented in light of the Employment Guidelines, in line with their respective mandates under the TFEU. These Committees and the Council preparatory bodies involved in the coordination of economic and social policies should work closely together. Policy dialogue between the European Parliament, the Council and the Commission should be maintained, in particular as regards the Employment Guidelines.
- (12) The Social Protection Committee was consulted,

HAS ADOPTED THIS DECISION:

Article 1

The Guidelines for the employment policies of the Member States (the ‘Employment Guidelines’), as set out in the Annex, are hereby adopted. The Employment Guidelines shall form part of the Integrated Guidelines.

Article 2

The Member States shall take the Employment Guidelines into account in their employment policies and reform programmes, which shall be reported in accordance with Article 148(3) TFEU.

Article 3

This Decision is addressed to the Member States.

Done at Brussels,

*For the Council
The President*

¹⁰ Regulation (EU) 2023/955 of the European Parliament and of the Council of 10 May 2023 establishing a Social Climate Fund and amending Regulation (EU) 2021/1060 (OJ L 130, 16.5.2023, p. 1-51).