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NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	COUNCIL DECISION on guidelines for the employment policies of the Member States - Adoption

Delegations will find attached the Annex to the Employment guidelines as referred to in document 15019/26 to be adopted by the Council (EYCS) at its session on 19 November 2026.

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Guideline 5: Boosting the demand for labour

Member States should promote a sustainable social market economy. They should facilitate and support investment, including in the labour market, skills, and social domains, and foster innovation-led growth and productivity growth for quality job creation, notably in the context of the digital, green and demographic transitions as well as growing security and defence needs, and in light of the Union and national employment headline targets for 2030. Member States should pursue integrated approaches reflecting the specific challenges and development potential of the different regions and territories to strengthen social and economic cohesion. To these ends, they should reduce the barriers that businesses face in hiring people, including by reducing unnecessary administrative burden without compromising policy objectives and relevant standards and while fully respecting workers' rights, and in scaling up, and foster responsible entrepreneurship and genuine self-employment. Member States should promote the development of the social economy, including social enterprises. They should develop and implement related measures and strategies, foster social innovation and encourage business models that create quality job opportunities, particularly for people that are furthest from the labour market or underrepresented.

To strengthen resilience in the face of possible shocks, well-designed short-time work schemes and similar arrangements can, together with targeted training, help workers to remain employed during temporary downturns and companies' restructuring and facilitate the dynamic reallocation of labour in the economy. Well-designed hiring and transition incentives and upskilling and reskilling measures, developed in close cooperation with social partners, can also help modernise the economy and support structural transformations by facilitating restructuring processes and the reallocation of labour from declining sectors towards expanding or emerging ones.

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Taxation should be shifted away from labour towards other sources more supportive of growth as well as climate and environmental objectives. It should also encourage women's labour market participation including by reducing disincentives for second earners, while protecting revenue for adequate social protection and growth-enhancing expenditure. A highly competitive and innovative economy, adequate earnings and fair wages and good working conditions should be pursued as key elements for ensuring job quality, which, together with skills development, career progression and job security, create a virtuous cycle of personal empowerment, productivity and economic growth. Member States should promote collective bargaining on wage setting. Respecting national practices and the role and autonomy of social partners, Member States and social partners should ensure that all workers have adequate wages by benefitting from collective agreements or adequate statutory minimum wages, taking into account their impact on competitiveness, quality job creation, purchasing power and in-work poverty.

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

In the context of the digital and green transitions, demographic change, and geopolitical shifts, and the growing importance of security and defence, together with the related need for greater strategic autonomy of the Union, including with regards to technological sovereignty, Member States should support employability and human capital development to enhance competitiveness and productivity. To this end, they should foster the acquisition and recognition of skills and competences at all ages in line with current and future labour market needs, focusing on strategic sectors and value chains identified in Union and national industrial policy. They should address skills and labour shortages, including through better and timelier skills intelligence, also in light of the Union and national skills headline targets for 2030. Member States should also modernise and invest in their education and training systems, also in rural and remote areas, and including related infrastructure, to provide high quality, accessible and inclusive education and training, and stimulate increased upskilling and reskilling in a lifelong learning perspective. This should also ensure that the workforce has the right skills to develop and deploy solutions in view of the fast-changing deep tech development. Member States should work together with social partners, education and training providers, civil society organisations, enterprises and other stakeholders to address structural weaknesses in their education and training systems.

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Particular attention should be paid to addressing the challenges related to the educational performance of young people, especially in basic skills (literacy, mathematics, science, digital and citizenship skills), including with targeted support for disadvantaged groups. Action is needed to address the challenges faced by the teaching profession, including its attractiveness and working conditions, tackling teacher and trainer shortages, and investing in teachers' and trainers' digital skills and competences. To lay the foundations for adaptability and resilience throughout life, education and training systems should equip all learners with key competences and basic skills, such as digital skills, including artificial intelligence (AI) literacy (while also addressing the impact of the use of digital devices on performance and wellbeing), as well as transversal competences, entrepreneurship skills and critical thinking in light of the threat of disinformation.

To enhance employability, job creation and transitions, and overall job quality, Member States should support working-age adults in accessing training and increase incentives and motivation to seek training, including, where appropriate, through individual learning accounts, reliable training quality assessments and micro-credentials. They should enable everyone to anticipate and better adapt to labour market needs, in particular through continuous upskilling and reskilling and the provision of integrated career guidance and counselling.

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Member States should foster equal opportunities for all by addressing inequalities in education and training, including territorial disparities in access, through high quality, universally accessible and affordable education. Children should be provided with access to affordable and high quality early childhood education and care, in line with the “Barcelona targets” and the European Child Guarantee. Member States should raise overall qualification levels, reduce the number of early leavers from education and training, support equal access to education for children with disabilities and/or special educational needs and/or socio-economic disadvantage and from remote areas. They should also increase the attractiveness, quality and labour market relevance of vocational education and training (VET), support access to and completion of tertiary education, strengthen transitions between vocational and tertiary education, and increase the number of science, technology, engineering and mathematics (STEM) graduates - especially women - both in VET and in tertiary education, including tertiary-level VET. Top performance and excellence in educational outcomes should also be supported, given their role in fostering the future innovation potential of the Union and competitiveness. Member States should upgrade and increase the supply and uptake of flexible initial and continuing VET, and strengthen work-based learning in VET systems. Furthermore, Member States should enhance the labour market relevance of tertiary education, respecting the universities’ autonomy and, where appropriate, research; improve skills intelligence; make skills and qualifications more visible and comparable, including those acquired abroad, and ensure a more consistent use of EU-wide classifications (i.e. ESCO); increase opportunities for validating and recognising skills and competences acquired outside formal education and training, and promote simpler and more efficient procedures to recognise qualifications for Union and third-country nationals, and to facilitate faster access to regulated professions while maintaining quality standards. Member States should facilitate the transition from education to employment for young people through accessible and quality traineeships and apprenticeships, as well as guidance and counselling services, and increase participation of adults in learning, particularly among learners from socio-economically disadvantaged backgrounds and the least qualified.

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Member States should provide unemployed and inactive people with effective, timely, coordinated and tailor-made assistance based on support for job searches, upskilling and reskilling and access to other enabling services, paying particular attention to people in vulnerable situations. Comprehensive strategies that include in-depth individual assessments of unemployed people and validation of prior work experience should be pursued as soon as possible, at the latest after 18 months of unemployment, with a view to significantly reducing and preventing long-term unemployment. Youth unemployment and the challenge of young people not in employment, education or training (NEETs) should continue to be addressed through prevention of early leaving from education and training and improvement of the school-to-work transition, alongside the full implementation of the reinforced Youth Guarantee, including by making an offer within 4 months for young people aged 15-29, to guarantee early intervention and facilitate sustainable labour market integration.

Member States should aim to remove barriers and disincentives to, and provide incentives for, labour market participation, in particular for underrepresented groups. Member States should contribute to fostering labour supply and address shortages, notably through promoting adequate working conditions, ensuring that the design of tax and benefit systems encourages labour market participation, and that active labour market policies are effective and accessible, respecting the role and autonomy of social partners. Member States should also support a work environment adapted for persons with disabilities, offering quality non-segregated employment and career progression, including through targeted financial and technical support, information and awareness raising, and services that enable them to participate in the labour market and in society.

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Member States should ensure gender equality and increased labour market participation of women, ensuring equal opportunities and career progression, by tackling gender stereotypes, eliminating barriers to leadership access at all levels of decision making, and by tackling gender-based violence and harassment. Equal pay for equal work, or work of equal value, and pay transparency should be ensured. The reconciliation of work, family and private life for both women and men should be promoted, in particular through access to affordable, high quality long-term care and early childhood education and care. Member States should ensure that parents and other people with caring responsibilities, including informal carers, have access to suitable family-related leave and flexible working arrangements to balance work, family and private life, and promote a balanced use of those entitlements between parents.

As a complementary solution to tapping the potential of the Union domestic workforce, Member States should enhance legal migration pathways for skills and talent attraction, while preventing exploitative working conditions and guaranteeing fair recruitment, equal treatment and labour and social rights. Member States could further engage in Talent Partnerships to enhance legal migration pathways by making full use of existing frameworks or launching new mobility schemes and provide for an effective integration policy for workers and their families, encompassing education and training, employment, social protection, health and housing.

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

Member States should work together with social partners - while fully respecting their role and autonomy - in ensuring fair, transparent and predictable working conditions. To enhance job quality, they should reduce and prevent segmentation in labour markets, fight undeclared work and bogus self-employment, including through cooperation between competent authorities, and foster the transition towards open-ended forms of employment. Employment protection rules, labour law and institutions should provide both a suitable environment for recruitment and the necessary flexibility for employers to adapt swiftly to changes in the economic context. At the same time, they should protect labour rights and ensure access to adequate social protection. Promoting the use of flexible working arrangements such as teleworking can contribute to higher employment levels and more inclusive labour markets. A safe and healthy, including climate-resilient, work environment should be ensured, and workplace wellbeing and job autonomy promoted as contributing to job quality. Access to effective, impartial dispute resolution and a right to redress, including adequate compensation, where applicable, should be ensured in cases of unfair dismissal.

Member States should support workers and employers in the digital transformation, including via strengthening digital skills and promoting the effective, responsible, inclusive, ethical and human-centred use of AI tools that boost productivity and complement human labour. To foster a trust-based approach to workplace technology and innovation, Member States should also monitor impacts on the labour market functioning, including recruitment practices, with particular attention to risks of discriminatory outcomes for women and underrepresented groups, and leverage the role of social dialogue and collective bargaining. Precarious working conditions should be prevented, including in platform work and atypical work contracts, by ensuring fairness, transparency, non-discrimination and accountability in the use of algorithms, and by fighting abusive contractual arrangements.

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Member States should effectively activate and enable those who can participate in the labour market, especially underrepresented groups, as well as people in vulnerable situations. Member States should ensure work environments that are adapted to the needs of older workers. Member States should also facilitate the return to work of people with long-term illnesses on the basis of their abilities. Member States should strengthen the scope and effectiveness of active labour market policies by increasing their availability, outreach and coverage and by better linking them with social services, training and income support for the unemployed. Member States should enhance the capacity of public employment services to provide timely and tailor-made assistance to jobseekers, including through performance-based management and better capacity to use data and digital technology, and by making the best use of Union funding where relevant. Private employment services also play a role in this respect.

Member States should provide the unemployed with adequate unemployment benefits of reasonable duration, in line with their contributions and national eligibility rules. Unemployment benefits should not disincentivise a prompt return to employment and should be accompanied by active labour market policies.

Learning mobility and labour mobility should be increased and adequately supported, with the aim of enhancing skills and employability, as well as exploiting the full potential of the European labour market and strengthening the Single Market, while tackling possible adverse demographic effects of mobility (including brain drain) in some regions. Obstacles to intra-Union labour mobility should be tackled, in particular related to verifying the authenticity and understanding the content of qualifications from other Member States, complex and burdensome procedures to recognise professional qualifications, or difficulties in exercising or accessing social security rights. Fair working conditions for all those pursuing a cross-border activity, including third-country nationals, should be ensured by effectively enforcing national and Union legislation, stepping up enforcement efforts and administrative cooperation between national administrations, and enhancing information provision to mobile workers as well as companies, with the support of the European Labour Authority.

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Member States should also strive to create the appropriate conditions for new forms of work and working methods, delivering on their job creation potential while ensuring that they are compliant with social and labour rights. They should enforce applicable rules in the context of atypical contracts and new forms of work, such as work through digital labour platforms. In this regard, social partners can play an instrumental role and Member States should support them in reaching out to and representing people in atypical and new forms of work. Member States should also strengthen enforcement, as appropriate, through adequate capacities, guidelines or dedicated training for labour inspectorates, concerning the challenges stemming from new forms of work, including the use of digital technologies and AI, such as algorithmic management, workers' surveillance and telework.

Member States should ensure an enabling environment for bipartite and tripartite social dialogue at all levels, including collective bargaining, in the public and private sectors, in accordance with national law and/or practice, after consultation and in close cooperation with social partners, while respecting their autonomy. Member States should involve social partners in a systematic, meaningful and timely manner in the design and implementation of employment, social and, where relevant, economic and other public policies, including in the setting and updating of statutory minimum wages where those exist. Member States should promote higher collective bargaining coverage, including by strengthening social partners' capacity, enable effective collective bargaining at all appropriate levels and encourage coordination between and across those levels. Social partners should be encouraged to negotiate and conclude collective agreements in matters relevant to them, fully respecting their autonomy and the right to collective action. Where relevant, and building on existing national practices, Member States should take into account the experience of civil society organisations on employment and social issues.

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

Member States should modernise their social protection systems to provide adequate, effective, efficient and sustainable social protection for all, throughout all stages of life, fit for the needs of an ageing population. They should foster social inclusion and upward social mobility, support intergenerational fairness and fair support for all age groups, incentivise labour market participation, prevent and fight poverty and social exclusion and address inequalities, including through the design of their tax and benefit systems and social services, assessing the distributional impact of policies, and ensuring the integrity and consistency of all policies, while tackling discrimination in all its forms. Complementing universal approaches with targeted ones can improve the effectiveness of social protection systems. Member States should enhance the transparency and uptake of social protection benefits, including through the ethical and safe deployment of digital tools, and paying due attention to the digital divide and accessibility. Particular attention should be paid to households in vulnerable situations that are most affected by the green and digital transitions, and by uneven impacts of climate change and increases in the cost of living, including housing and energy costs. Member States should take steps to close gaps in access to social protection for workers, including those in non-standard forms of employment, and the self-employed, as an integral component of ensuring job quality.

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Particular attention should be given to fighting poverty and social exclusion, in a life cycle perspective from childhood to old age, in line with the Union and national poverty reduction headline targets for 2030. Evidence shows that a quality job is the best protection against poverty. Member States are encouraged to ensure anti-poverty policy frameworks, based on an integrated approach reflecting the multidimensional nature of poverty. With a view to further preventing and addressing poverty, discrimination and stigma, difficulties to afford basic needs, such as food, energy, a home and other basic goods, and the lack of access to quality services, should be tackled. Member States should further develop and integrate the three strands of active inclusion (adequate income support, inclusive labour markets and access to quality enabling services) to meet individual needs. Social protection and inclusion systems should ensure adequate minimum income benefits for everyone lacking sufficient resources and promote social inclusion by supporting and encouraging people to participate in the labour market and society, including through targeted provision of social services. Member States should ensure that everyone has access to essential services of good quality. The availability of affordable, accessible and quality services, such as early childhood education and care, out-of-school care, education, training, housing, health and long-term care, is a necessary condition for ensuring equal opportunities, including by alleviating material deprivation. To break the cycle of disadvantage, child poverty and social exclusion should be especially addressed by comprehensive and integrated measures, including through the full implementation of the European Child Guarantee.

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Member States should also ensure access to affordable and sustainable housing, including social housing. Mobilising private and public investments for affordable and social housing, in a context where other supply bottlenecks are also addressed, will be key to achieving progress. In addition, Member States should provide well targeted housing assistance and other support measures, for people in need or in a vulnerable situation. Social economy housing providers, innovative financing models and targeted measures to mobilise vacant housing can be building blocks towards sustainable and inclusive housing solutions. Energy and transport poverty, as well as resilience to health risks and disasters, including those triggered by climate change and environmental degradation, should be addressed with targeted support measures for low-income households and disadvantaged groups. Member States should, where appropriate, make effective use of Union funding to invest in affordable and social housing, student housing, housing renovation and accompanying services. The specific needs of persons with disabilities, including accessibility, should be taken into account. Homelessness and housing exclusion should be tackled specifically by boosting the supply of affordable and social housing, prevention measures and promoting an inclusive, people-centred housing-led and integrated approach, ensuring that support meets real needs.

In a context of increasing longevity and other demographic changes, Member States should secure the adequacy and sustainability of pension systems for workers and the self-employed. Pension systems should ensure equal opportunities for women and men to acquire and accrue pension rights, including where appropriate through pension credits for care breaks, and enhancing saving in broad and inclusive supplementary schemes to ensure adequate income in old age. Pension reforms should be supported by policies that aim to reduce the gender pension gap and measures that extend working lives, such as facilitating active ageing and the labour market participation of older adults to increase the effective retirement age. Member States should promote transparency of pension rights, including through pension tracking services.

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Member States should ensure timely access to affordable preventive and curative healthcare, while safeguarding sustainability in the long term. In the context of an increasing demand for long-term care, also linked to demographic change, gaps in adequacy and availability of services, workforce shortages and poor working conditions should be addressed through comprehensive and integrated measures. Furthermore, Member States should work towards developing care models that are person-centred and community-based, ensure smooth transition between different care pathways (e.g. from hospital to home and/or residential care) and address health and long-term care needs in an integrated manner.

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