

EMPLOYMENT POLICY

European Union employment strategy, dating back to 1997, has established common objectives for employment policy and contributed to 'soft coordination' among the Member States. Creating more and better jobs was one of the main goals of the Europe 2020 strategy. In the March 2021 European Pillar of Social Rights Action Plan, the Commission proposed new and more ambitious targets in employment policy as well as concrete actions for a fair, equitable and well-functioning labour market. EU law is relevant in certain areas, even if the responsibility for employment policy lies primarily with national governments. Employment policy is monitored and assessed in the European Semester.

LEGAL BASIS

Article 3(3) of the Treaty on European Union (TEU) and Articles 8-10, 145-150, 156-159 and 162-164 of the Treaty on the Functioning of the European Union (TFEU).

OBJECTIVES

According to Article 3 TEU, the EU has the duty to aim for full employment and social progress. The horizontal clause in Article 9 TFEU lays down that the aim of high employment levels must be accounted for in the definition and implementation of EU policies and activities. Member States and the EU must work towards the development of a coordinated strategy for employment, particularly with regard to the promotion of a skilled, trained and adaptable workforce, and labour markets that are responsive to economic change, as described in Article 145 TFEU.

ACHIEVEMENTS

A. From the early stages (1950s to 1990s) to the post-2020 targets

As early as the 1950s, workers benefited from 'readaptation aid' in the European Coal and Steel Community. Aid was granted to workers in the coal and steel sectors whose jobs were threatened by industrial restructuring. The [European Social Fund](#), created in 1957, was the principal tool for combating unemployment.

In the 1980s and early 1990s, action programmes on employment focused on specific target groups, and a number of observatory and documentation systems were established.

As many Member States were facing high unemployment, the 1993 white paper on growth, competitiveness and employment launched a debate on the EU's economic and employment strategy by bringing the issue of employment to the top of the EU agenda for the first time.

The new chapter on employment in the 1997 Amsterdam Treaty provided the basis for establishing the European employment strategy (EES) and the permanent Employment Committee with advisory status to promote coordination of the Member States' employment and labour market policies. The competence for employment

policy remains, however, primarily with the Member States. The treaty's inclusion of a 'social protocol' enhanced the involvement of the social partners ([Social dialogue](#)).

The extraordinary Luxembourg Job Summit in November 1997 launched the **EES** together with the open method of coordination – the so-called Luxembourg process, an annual coordination and monitoring cycle for national employment policies based on the Member States' commitment to establishing a set of common objectives and targets. The EES placed a high level of employment on the same footing as the macroeconomic objectives of growth and stability.

In 2000, the Lisbon European Council agreed on the new strategic goal of making the EU 'the most competitive and dynamic knowledge-based economy in the world', embracing full employment as an overarching objective of employment and social policy, and on concrete targets to be achieved by 2010 (the Lisbon strategy).

Following the 2007–08 financial crisis, the Europe 2020 strategy was adopted in 2010 and the European Semester was introduced to facilitate the coordination of financial and economic policies. This 10-year strategy for jobs and smart, sustainable and inclusive growth defined a number of headline targets for the first time, including increasing the labour market participation of people aged 20 to 64 to 75% by 2020. All headline targets had to be translated into national targets by the Member States.

In 2017, the Commission presented the European Pillar of Social Rights (EPSR), which sets out 20 key principles and rights to support renewed convergence towards better living and working conditions. It is accompanied by a 'social scoreboard' to monitor progress. At the Social Summit in Gothenburg in November 2017, Parliament, the Council and the Commission highlighted their shared commitment by adopting a common proclamation on the EPSR.

The 2021 EPSR implementation action plan set out three EU headline targets to be achieved by 2030, including the following:

- Employment: at least 78% of the population aged 20 to 64 should be in employment by 2030;
- Skills: at least 60% of all adults should participate in training every year.

B. Strengthening coordination and monitoring

The annual monitoring cycle for employment policies within the European Semester includes the following components:

- Employment guidelines, drawn up by the Commission and adopted by the Council after consulting Parliament;
- A joint employment report, published by the Commission and adopted by the Council;
- National reform programmes;
- Country reports and country-specific recommendations, drawn up by the Commission, with the latter being adopted by the Council.

The four employment guidelines (Article 148 TFEU) present strategic objectives for national employment policies and contain policy priorities in the fields of employment, education and social inclusion. These guidelines form part of the

eight integrated guidelines, which also feature four broad economic policy guidelines (Article 121 TFEU).

The employment guidelines have been gradually aligned with the EPSR's principles ([Social and employment policy: general principles](#)) and have integrated elements related to the COVID-19 crisis, the green and digital transitions, fairness during the green transition, the UN Sustainable Development Goals and the Russian invasion of Ukraine.

As a key monitoring tool used in the European Semester, the Commission proposed a revised social scoreboard (annexed to the EPSR action plan). It consists of 17 headline indicators, endorsed by the Council, assessing the employment and social performance of Member States in three broad dimensions: (i) equal opportunities, (ii) fair working conditions, and (iii) social protection and inclusion.

C. Binding legal acts – EU law

Based on the provisions laid down in the TFEU relating to social affairs and freedom of movement, several related directives, regulations and decisions have been adopted to ensure minimum standards across the EU in the following key areas:

- Health and safety at work: general and specific rights and obligations, work equipment, specific risks, e.g. dangerous substances, carcinogens ([Health and safety at work](#));
- Equal opportunities for women and men: equal treatment at work, pregnancy, maternity leave, parental leave ([The fight against poverty, social exclusion and discrimination](#));
- Protection against discrimination based on sex, race, religion, age, disability and sexual orientation ([The fight against poverty, social exclusion and discrimination](#));
- Working conditions: minimum wages, part-time work, digital platform workers, fixed-term contracts, working hours, employment of young people, informing and consulting employees ([Workers' right to information, consultation and participation](#); [Social dialogue](#));
- Supporting services: enhanced cooperation between public employment services;
- Free movement of workers: equal treatment, access to social benefits ([Free movement of workers](#));
- Posting of workers: duration, pay, sectors covered ([Posting of workers](#)).

D. Coordination through recommendations and other policy initiatives

In addition to the 'hard law' listed above, further measures help to increase coordination among the EU Member States through 'soft law', including non-binding Council recommendations and other policy initiatives from the Commission.

- The European Youth Guarantee aims to ensure that all people under the age of 30 receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving formal education.

- A Council recommendation on the integration of the long-term unemployed into the labour market focuses on registration, individual in-depth assessments and job integration agreements to be offered to the registered long-term unemployed.
- The European Skills Agenda contains 12 actions related to skills for jobs, created to ensure that the right to training and lifelong learning is fulfilled across Europe. The year ending 8 May 2024 was designated as the 'European Year of Skills' and aimed to address skills shortages in the EU and to promote a reskilling and upskilling mindset, to help people obtain quality jobs.
- A Commission recommendation on effective active support to employment following the COVID-19 crisis outlines a strategic approach to gradually transition between emergency measures taken to preserve jobs during the pandemic and new measures needed for a job-rich recovery.
- The 2021-2027 Strategic framework on health and safety at work includes key challenges, strategic objectives for health and safety at work and actions and instruments to address these.
- The European care strategy aims to ensure high-quality, affordable and accessible care services across the EU and improve the situation for both care receivers and the people caring for them, whether professionally or informally.

In 2025, the Commission launched the [Union of Skills](#) and the [Clean Industrial Deal](#). Two initiatives to help upskill and reskill workers, attract and retain talent, create jobs in the clean transition and make Europe more competitive. These initiatives will be complemented by an [new action plan on the implementation of the EPSR](#) and a Quality Jobs Roadmap, both expected to be adopted by the end of 2025.

E. Supporting EU funding instruments

A number of EU funding programmes provide support in the area of employment.

- The European Social Fund Plus ([European Social Fund](#)) is the main EU instrument for investing in people and brings together a number of funds and programmes, notably the European Social Fund, the Youth Employment Initiative, the Fund for European Aid to the Most Deprived and the Employment and Social Innovation programme.
- The European Globalisation Adjustment **Fund for Displaced Workers** supports people who have lost their jobs due to structural changes in world trade patterns, digitalisation, automation and the transition to a low-carbon economy.
- The Recovery and Resilience Facility, the centrepiece of [NextGenerationEU](#), is a temporary instrument to support reforms and investments undertaken by the Member States between February 2020 and December 2026. The aim is to mitigate the impacts of the COVID-19 pandemic and make European economies and societies more sustainable and better prepared for the challenges and opportunities presented by the green and digital transitions.
- REACT-EU (Recovery Assistance for Cohesion and the Territories of Europe) is a top-up to the 2014-2020 structural fund programmes and complements the 2021-2027 cohesion fund allocations. It expands on the crisis response

and repair measures delivered through the Coronavirus Response Investment Initiative and the Coronavirus Response Investment Initiative Plus.

- SURE (Support to mitigate Unemployment Risks in an Emergency) provided financial assistance to the Member States during the COVID-19 crisis, enabling short-time work schemes or similar measures to protect jobs and workers.
- The Just Transition Fund aims to alleviate the social and economic costs of the transition towards a climate-neutral economy by helping people adapt to a changing labour market. It is the first pillar of the Just Transition Mechanism, itself part of the European Green Deal.

ROLE OF THE EUROPEAN PARLIAMENT

Parliament's role in this area has developed gradually. Since the Treaty of Amsterdam came into force, Parliament must be consulted on employment guidelines before they are adopted by the Council.

Parliament gave its strong backing to the Europe 2020 strategy. A number of the initiatives aimed at combating youth unemployment stem from Parliament proposals for concrete, practical actions, namely the EU Youth Guarantee and minimum standards on internships. In its [July 2014 resolution on youth employment](#), Parliament called for an EU legal framework introducing minimum standards for the implementation of the Youth Guarantee, including the quality of apprenticeships and also covering people aged 25–30. In a [2018 resolution on the EU's next long-term budget](#), Parliament called for a significant increase in funding for the implementation of the Youth Employment Initiative. In October 2020, Parliament adopted a [resolution expressing concern about the voluntary nature of the Youth Guarantee](#) (currently a Council recommendation) and called on the Commission to propose a binding instrument.

Parliament also condemned unpaid internships and urged the Commission to review existing European instruments, such as the quality framework for traineeships and the European framework for quality and effective apprenticeships. Parliament insisted that quality criteria be incorporated into the offers made to young people, including the principle of fair remuneration for trainees and interns, access to social protection, sustainable employment and social rights, to turn the 2014 framework into a stronger legislative instrument. Following that call, and to address some of those concerns, in March 2024 the Commission presented a [proposal for a directive on improving and enforcing working conditions for trainees and combating regular employment relationships disguised as traineeships](#) ('Traineeships Directive'), and a proposal for a [revision of the Council Recommendation on a Quality Framework for Traineeships](#). The proposed [Traineeship Directive](#) is being negotiated by co-legislators.

Furthermore, Parliament supported the approach taken in its recommendation on long-term unemployment in an [October 2015 resolution on the integration of the long-term unemployed into the labour market](#). Parliament's intensive work on skills development had an impact on the European Skills Agenda. [Parliament has highlighted the importance of lifelong learning](#) and vocational education and training,

including upskilling and reskilling. It has repeatedly called on the Commission and the Member States to establish a European Vocational Education and Training Area.

Parliament's [resolution of 13 March 2019 on the European Semester](#) stressed that the EU's social goals and commitments are just as important as its economic goals. In a [resolution adopted on 10 July 2020 on EU employment guidelines](#), MEPs called for radical measures to cushion the shock caused by the pandemic, in particular, a revision of the forthcoming guidelines, and they highlighted the need to address youth unemployment through an improved Youth Guarantee. As the energy and cost-of-living crises unfolded, Parliament [called on the Member States and the Commission to prioritise the fight against unemployment](#), to reinforce the SURE instrument to support short-time work schemes, workers' income and workers temporarily laid off because of energy price increases, and to mitigate the effects of asymmetric shocks. Parliament's [resolution of 12 March 2025 on the European Semester](#) for economic policy coordination welcomed the impetus to social progress expected in the new action plan on the implementation of the EPSR and the Quality Jobs Roadmap. It also called for measures to ensure that AI and algorithmic management in the world of work respect worker's rights.

For more information on this topic, please visit the [website of the Committee on Employment and Social Affairs](#).

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