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NOTE

From:	Presidency
To:	Permanent Representatives Committee/Council
Subject:	Draft Council Conclusions on the 2025 Joint Employment Report - Approval

1. The Presidency has prepared the attached set of draft Council Conclusions on the 2025 Joint Employment Report.
2. These draft Conclusions were presented in the meeting of the Working Party on Social Questions on 27 February 2025.
3. At that meeting, some delegations asked for changes to the text. They suggested notably making changes in relation to the Social Convergence Framework. This was opposed by some delegations.

4. Following the discussions in the Working Party, the Presidency decided to change the text, in paragraph 12 by adding ‘demographic change’ in the very end of the sentence. This was accepted by delegations. The other change related to paragraph 17 and the Social Convergence Framework. The compromise text suggested by the Presidency in an informal written consultation could not be accepted so a meeting of Attachés and Experts Working Party on Social Questions was convened on 3 March. At this meeting the delegations found an agreement on the text of paragraph 17.
5. The Committee is therefore invited to forward the attached draft Conclusions to the Council (EPSCO) for approval at its session on 10 March 2025.

Draft Council conclusions**on the 2025 Joint Employment Report**

1. WELCOMING that labour market outcomes remained strong in 2023, with the EU employment rate reaching a new record high of 75.3% (up by 0.7 percentage points from 2022)¹ and the EU unemployment rate hitting a record low of 6.1% (down by 0.1 percentage points from 2022).² NOTING that approximately 90% of employment growth in 2023 resulted from an expanding labour force, including a further reduction in the gender employment gap to 10.2 percentage points (down by 0.5 percentage points from 2022).
2. HIGHLIGHTING that, despite the strong performance of the EU labour market, the Commission's Autumn Forecast projects real GDP growth in the EU at just 0.9% in 2024, while labour productivity growth continued to decline to 0.7% in 2023, compared to an annual average of 0.8% between 2010-2019 and 1.4% before 2007. RECALLING that labour and skills shortages have significantly increased across most Member States over the past decade and, despite a moderate decline in 2024, they remain a key bottleneck for productivity and economic growth. STRESSING that there is still considerable room for improvement in relation to working conditions in certain sectors, the labour market outcomes of under-represented groups - including women, older workers, young people, persons with disabilities, the low-skilled, and third-country nationals - and that significant regional disparities persist within Member States.

¹ 80.4% for men (up by 0.5 percentage points from 2022) and 70.2% for women (up by 1 percentage point from 2022).

² 5.8% for men (down by 0.1 percentage points from 2022) and 6.4% for women (down by 0.1 percentage points from 2022).

3. STRESSING that after a substantial decline (-3.7% in 2022 and -0.2% in 2023), in 2024, average real wages in the EU were still below pre-COVID-19 pandemic levels despite a continuous decrease in inflation, and that while in-work poverty showed a slight decline (from 8.5% in 2022 to 8.3% in 2023), it is still significantly higher among those in non-standard forms of work. WELCOMING, however, that increases in statutory minimum wages between 2023 and 2024 largely offset the loss of purchasing power for minimum wage earners in most Member States. RECALLING the importance of strong social dialogue and effective collective bargaining in promoting wage developments and fostering good working conditions. HIGHLIGHTING that fair wages can reinforce incentives to work and protect the purchasing power in particular of low-wage earners, while safeguarding competitiveness.
4. STRESSING that, in 2023, more than half of temporary workers were involuntarily on such contracts in the EU, with significant differences among Member States and a greater incidence for women and young people. RECALLING that periods of involuntary temporary and part-time employment, especially when combined with low transition rates towards more permanent contracts, can lead to gaps in job security and working conditions with consequences also regarding access to adequate social protection.

5. NOTING with concern the decline in basic skills particularly among disadvantaged pupils and population groups (as evidenced by recent PISA and PIAAC studies)³, the lack of significant progress in adult learning participation⁴, and the slow progress on basic digital skills. REAFFIRMING, in this context, the need to enhance access to and quality of education, reskilling and upskilling opportunities, and lifelong learning, in order to foster upward social convergence across Member States and enhance the EU's productivity potential in the context of rapid technological advancements and population ageing.
6. REAFFIRMING that, despite a slight decline in the number of people at risk of poverty or social exclusion in 2023, significant disparities persist across Member States and regions, and among population groups, with still higher poverty risks for children, older people, persons with disabilities, and people born outside the EU. NOTING with concern that the share of children at risk of poverty or social exclusion has increased gradually since 2019. STRESSING that to ensure the continued effectiveness of social protection and inclusion systems as macroeconomic stabilisers and shields against social risks, their modernisation must advance in response to the twin transition, long-term demographic trends and changes in the world of work.

³ OECD, [Do Adults Have the Skills They Need to Thrive in a Changing World?: Survey of Adult Skills 2023](#), OECD Skills Studies, OECD Publishing, Paris, 2024. Retrieved after the 10 December 2024 publication.

⁴ Eurostat [special extraction of the adults' participation rate in learning during the past 12 months without guided on the job training \(GOJT\), from the Adult Education Survey](#).

7. REAFFIRMING that housing costs remain a financial burden for nearly half of EU households and a heavy financial burden for nearly one third of EU households, while energy poverty, as measured by the share of people unable to keep their homes adequately heated, has been rising since 2021. RECALLING that, in both cases, challenges hit particularly hard those already at risk of poverty.
8. STRESSING, in light of the abovementioned socioeconomic context, the need to foster upward economic and social convergence by progressing on the 2030 EU headline and national targets on employment, skills, and poverty reduction, while considering that:
- The Union is rapidly approaching the employment rate target of 78% in 2030 (75.3% in 2023), with five Member States having already achieved their national targets;
 - Significant efforts are still needed to achieve the skills target of at least 60% of all adults participating in training every year by 2030 in the EU (39.5% in 2022), particularly as the majority of Member States continue to lag behind in the pursuit of their national targets;
 - Efforts must be significantly accelerated to achieve the EU poverty reduction target of a decrease in the number of people at risk of poverty or social exclusion by at least 15 million by 2030 (including at least 5 million children). The current reduction pace with a reduction of approximately 1.6 million recorded in the EU between 2019 and 2023 is not sufficient to reach the EU target, and nearly half of the Member States have been witnessing an increase in the number of people at risk during this period.

9. STRESSING the crucial role of coherent and well-designed labour market, skills, and social policies in driving economic growth, competitiveness and productivity, alongside achieving social objectives. REAFFIRMING the importance of strengthening evidence-based policymaking to better assess the impact of employment, skills, and social policies on economic growth, as well as the potential effects of policies on labour market participation, poverty or social exclusion, and inequalities.
10. HIGHLIGHTING the significant role of cohesion policy funds, notably the European Social Fund+, as well as of the Technical Support Instrument and the Recovery and Resilience Facility in supporting the implementation of the principles of the European Pillar of Social Rights in the Member States. WELCOMING that around one-third of the milestones and targets included in the Recovery and Resilience Plans directly support employment, skills, and social policy measures.
11. ACKNOWLEDGING the findings of the country-specific analysis based on the principles of the Social Convergence Framework, in line with the objectives of Article 3(3), point (b) of Regulation (EU) 2024/1263, which will be followed by the Commission's forthcoming publication of a more detailed second-stage analysis for the ten Member States identified in the first stage as facing potential risks to upward social convergence.

THE COUNCIL OF THE EUROPEAN UNION:

12. CALLS upon Member States, in close cooperation with the social partners, to strengthen skills and labour market policies that promote lifelong learning, including adult upskilling and reskilling, as well as labour market participation, notably of underrepresented groups. CALLS upon Member States to strengthen such policies with a view to contributing to EU competitiveness and an inclusive labour market and society, including by tackling labour and skills shortages - also via improved skills intelligence and forecasting - easing quality job transitions, and promoting quality job creation, in line with evolving labour market dynamics including those stemming from the digital and green transitions as well as demographic change.
13. CALLS upon Member States to accelerate the modernisation of social protection and inclusion systems and improve access to adequate and sustainable social protection and to enabling and essential services, with the aim of reducing poverty and social exclusion risks, in particular among children. CALLS upon Member States to increase the availability of affordable housing or housing assistance and intensify efforts to eradicate homelessness.
14. INVITES Member States to regularly conduct *ex-ante* and *ex-post* impact assessments of reforms and investments in the employment, skills and social policy fields, including their distributional impacts.

15. CALLS upon Member States to take into account the findings of the Joint Employment Report when implementing their Medium-Term Fiscal-Structural Plan and preparing the related Annual Progress Report, in line with the need to report on progress towards the implementation of the principles of the European Pillar of Social Rights within the European Semester. INVITES the Employment Committee and the Social Protection Committee to monitor the employment and social aspects of the Medium-Term Fiscal-Structural Plans and the Annual Progress Reports and report to the Council.
 16. CALLS upon the Commission to more systematically present statistics disaggregated by sex in the annual proposal for a Joint Employment Report, so as to uncover and gradually close remaining gender gaps.
 17. INVITES the Commission, in the forthcoming work on the Social Convergence Framework, to further facilitate the identification of risks and challenges to upward social convergence while considering possible adjustments, together with the Employment Committee and the Social Protection Committee, notably reviewing the methodology of the first-stage analysis and addressing shortcomings of the current Social Scoreboard as well as reducing the administrative burden of the process, as indicated in the assessment conducted by the Employment Committee and the Social Protection Committee in 2024. INVITES the Employment Committee and the Social Protection Committee to examine the findings of the second- stage analysis, with a view to informing the Council on the state of social convergence in the Union.
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