



## Employment and Social Developments in Europe: 2019 review highlights that tackling climate change can be a driver for growth and jobs

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Today the Commission has published the 2019 edition of its yearly *Employment and Social Developments in Europe* (ESDE) review. In light of global long-term trends such as ageing, globalisation, technological transformation and climate change, the 2019 ESDE is dedicated to the theme of sustainability. The report shows that tackling climate change and preserving growth go hand in hand. It sets out a number of policy options that are able to preserve the EU's competitiveness, sustain growth and spread its benefits to the entire EU population and future generations, while pursuing an ambitious transition to a climate-neutral economy. The 2019 review also confirms the continued expansion of the EU's economic activity, with new record levels in employment and an improving social situation.

Marianne **Thyssen**, the Commissioner for Employment, Social Affairs, Skills and Labour Mobility, said: *"This annual review shows that the recovery has taken hold in the European economy. With 240.7 million Europeans at work, up by 13.4 million jobs since the start of the Juncker Commission, the employment rate in the EU is the highest ever recorded. Unemployment in Europe is historically low. And the number of people at risk of poverty continues to drop. This is a good springboard for stepping up the delivery for citizens on the basis of the European Pillar of Social Rights. This must include a fair transition to a climate-neutral economy that makes full use of the 'green growth' opportunities ahead. We can improve everybody's living standards provided that the EU and Member States, together with the social partners, invest in new and better skills, higher qualifications and social services."*

The transition to a carbon-neutral economy will increase the number of jobs available, and have an impact on labour market structure, job distributions and skills needed. By 2030, the transition is expected to create an additional 1.2 million jobs in the EU, on top of the 12 million new jobs already expected. The transition could mitigate the ongoing job polarisation resulting from automation and digitalisation by creating jobs also in the middle of the wage and skill distributions, particularly in construction and manufacturing.

This being said, the impacts of the transition will vary across countries and sectors. Therefore countries must prepare for this transition to make sure that people in occupations, sectors and regions that are still linked to high-carbon models are not left behind. Integrating the social dimension from the outset, for example through measures that provide income support during transition or combine higher energy taxation with redistribution, is of key importance. Social dialogue can also contribute to a just transition by ensuring the involvement of workers and employers.

More generally, the review shows that to continue economic growth, the EU will need to invest in people's skills and innovation. The best performing EU firms are those that invest most in workers' training and high-quality working conditions. Indeed, investments in skills, qualifications, and formal adult training support employability of workers, wage growth, and firms' competitiveness. The ESDE review also finds that social investments, such as access to childcare and early childhood education, make people more productive and increase their well-being. Affordable and adequate housing enables Europeans to fulfil their potential on the labour market and participate in society.

### Background

The annual *Employment and Social Developments in Europe* review provides up-to-date economic analysis of employment and social trends in Europe and discusses related policy options. It is the European Commission's analytical flagship report in the area of employment and social affairs.

The European Council's [New Strategic Agenda 2019-2024](#) calls for embracing the changes brought about by the green transition, technological evolution and globalisation while making sure no-one is left behind. This year's ESDE edition takes a look at employment and social developments in the light of one of the four main priorities of this new strategic agenda – "building a climate-neutral, green, fair and social Europe". Findings provided by ESDE may inspire policy-makers how to deliver on such

ambitious objectives. They will also feed into policy debate on employment aspects of the strategic long-term vision for a climate-neutral economy at the [next Council meeting of European employment and social affairs ministers \(EPSCO\) on 8 July 2019](#).

There are many examples in which the Commission focuses on addressing the challenges raised in the yearly ESDE reports. For instance, the Commission's May 2018 proposal for the Multiannual Financial Framework earmarks more funds for investments into people, including through the [new European Social Fund Plus \(ESF+\) and an improved European Globalisation Adjustment Fund \(EGF\)](#). The [European Pillar of Social Rights](#) and initiatives and tools such as the [Skills Agenda for Europe](#), the [Digital Europe Programme](#) and the [Youth Guarantee](#), the further strengthening of the [Erasmus programme](#), and the [European Solidarity Corps](#) will all contribute to pursuing these goals.

### **For More Information**

[Factsheet](#): Employment and social developments 2019: Zooming in on the social impact of climate change

[2019 Employment and Social Developments Review](#)

[A New Strategic Agenda 2019-2024](#)

[Employment and Social Analysis section on the EMPL website](#)

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Press contacts:

[Christian WIGAND](#) (+32 2 296 22 53)

[Sara SOUMILLION](#) (+32 2 296 70 94)

General public inquiries: [Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)