



*Employment and
Social Developments in Europe*

Sustainable growth for all:

*choices for the future of
Social Europe*

Thematic session 2

*Social sustainability:
Investing in people,
essential services and
housing*

27 September 2019, Brussels

#ESDE2019

Social Europe

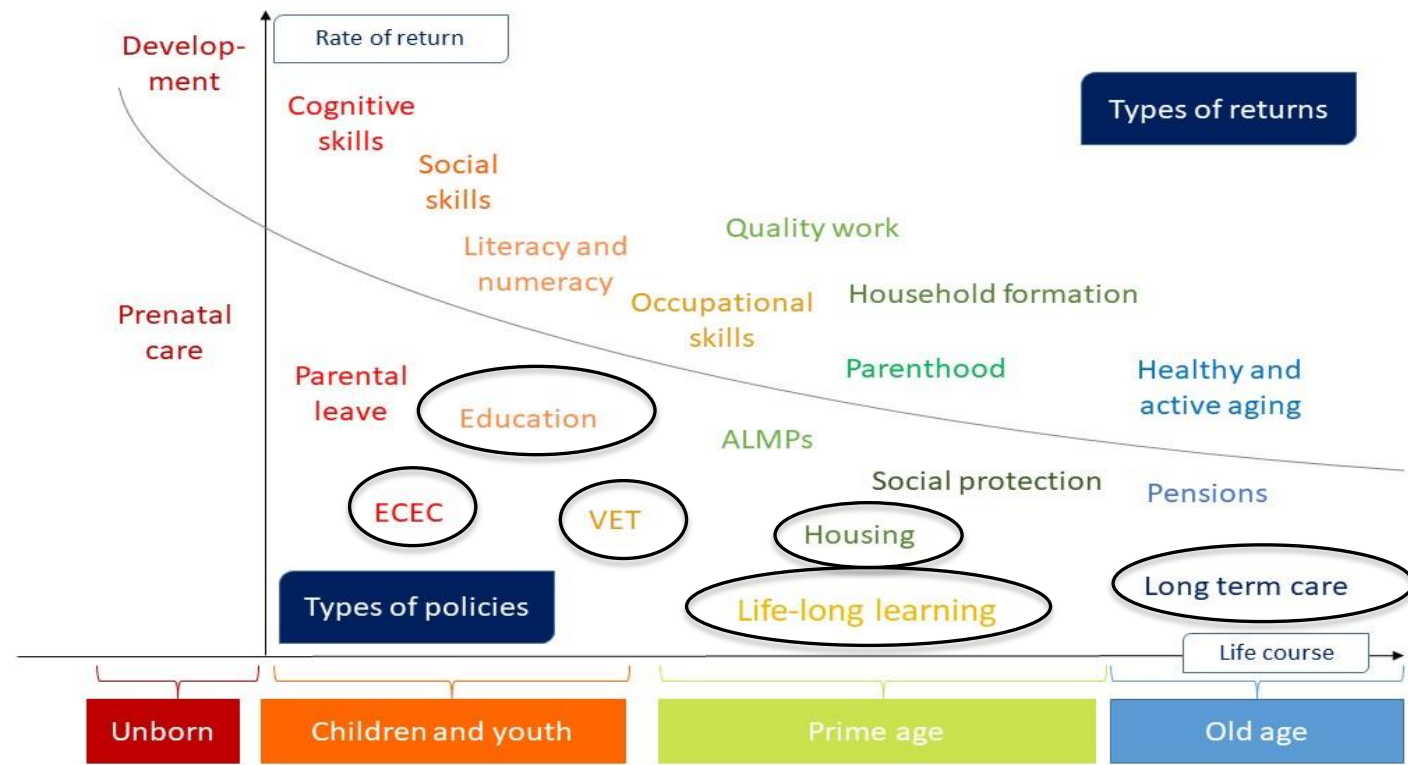
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Returns on social investment are particularly high at early life stages



Investing in children and their families: the rationale

Types of
investment

1. Affordable and quality early childhood education and care
2. Social transfers
3. Balanced paid family-related leaves

Beneficiaries

Children

Parents

Society

Types of
impact

Positive impact on
cognitive
development

Reduction of child
poverty

Better employment
opportunities

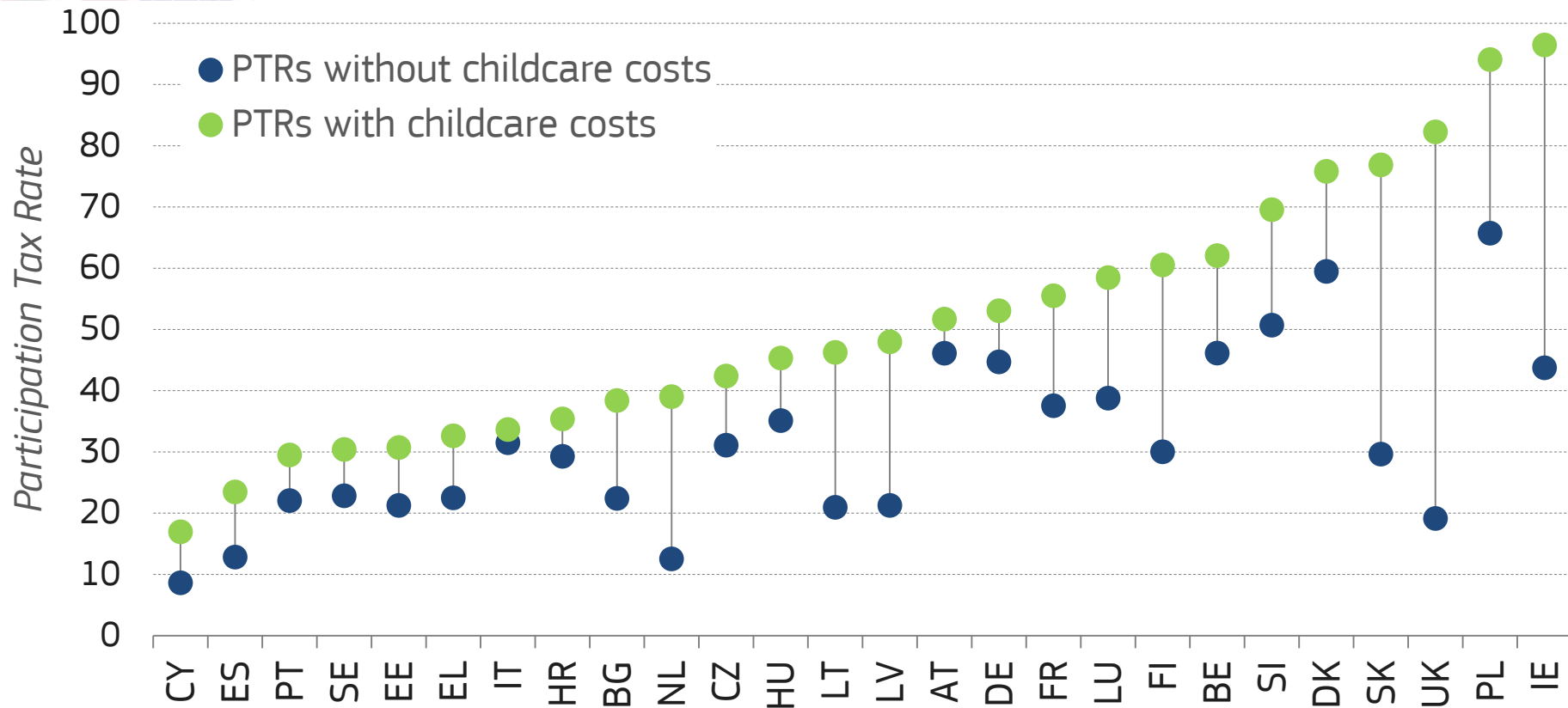
Reduction of
gender inequality

Fiscal sustainability

Positive
demographic
impact



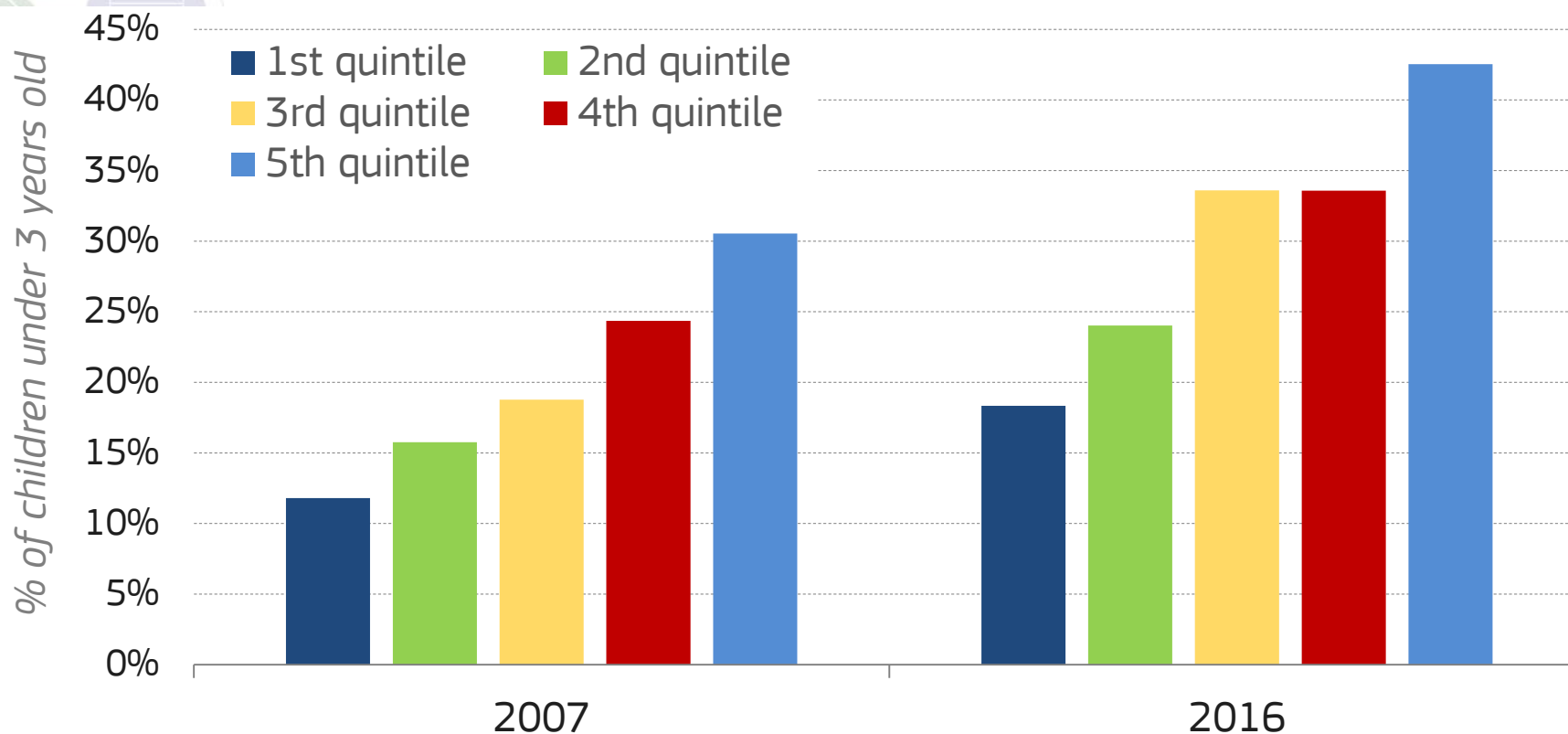
Childcare costs may create disincentives to work





European Commission

Inequality in childcare use is high & may hamper the effectiveness of the investment





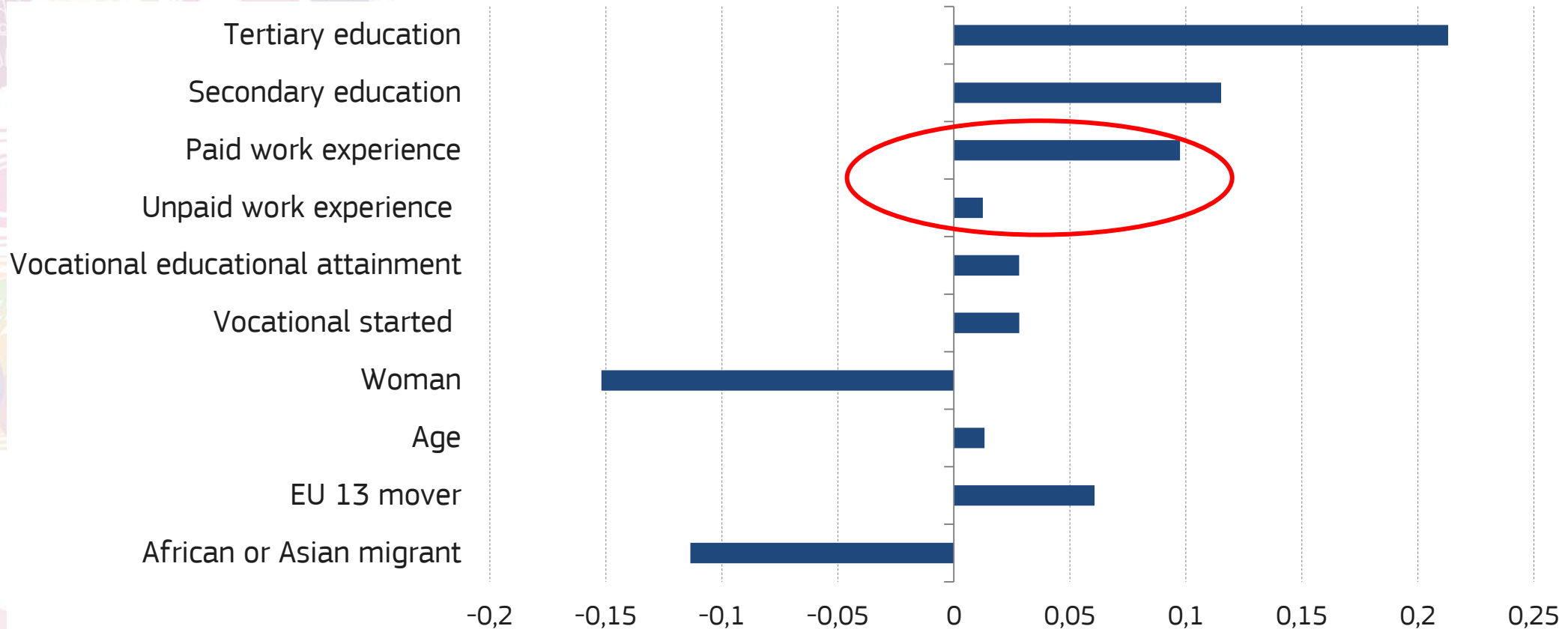
Investing in human capital: the rationale

- ✓ Employment and income gains
- ✓ Skills and resilience gains
- ✓ Tax revenues gains
- ✓ Welfare savings gains (- Social assistance, - Unemployment benefits)
- ✓ Institutional trust gains
- ✓ **remarkable payoff**: the public costs of enabling a person to attain tertiary education are offset by a public return three times as high by the time the person retires



European Commission

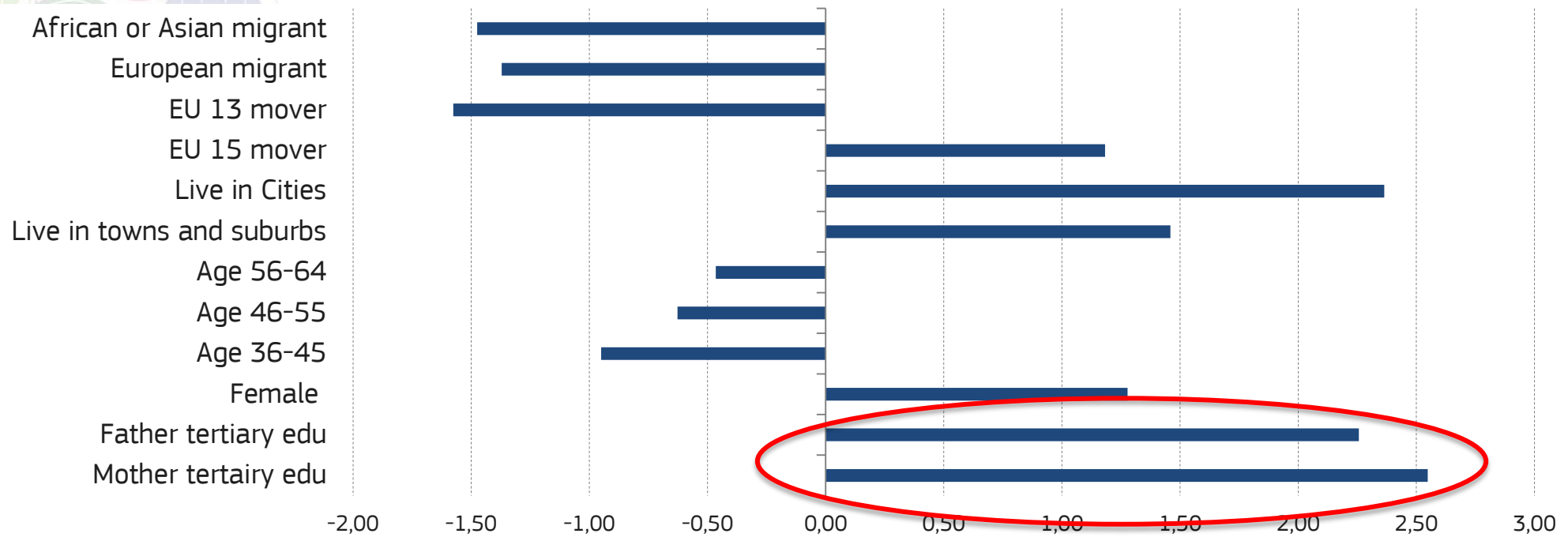
Education and work experience during studies put people in jobs!





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Parents' tertiary education raises the chances of acquiring a university degree





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Investing in affordable and adequate housing: the rationale



Social

Access to public services

Allocation of housing support

Energy poverty
Green mobility

Housing

Cities =
productive +
expensive

Environmental

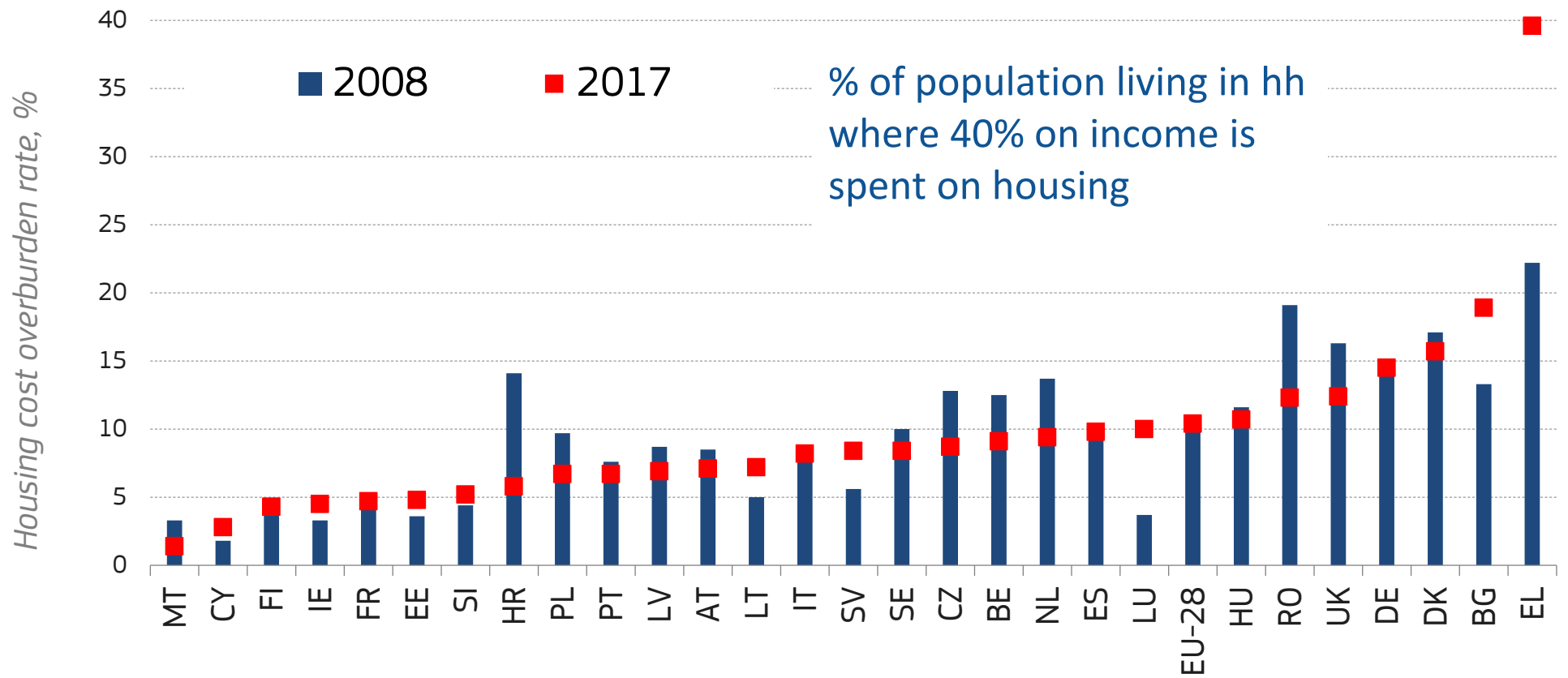
Split incentives

Economic





Many Europeans are overburdened by housing cost

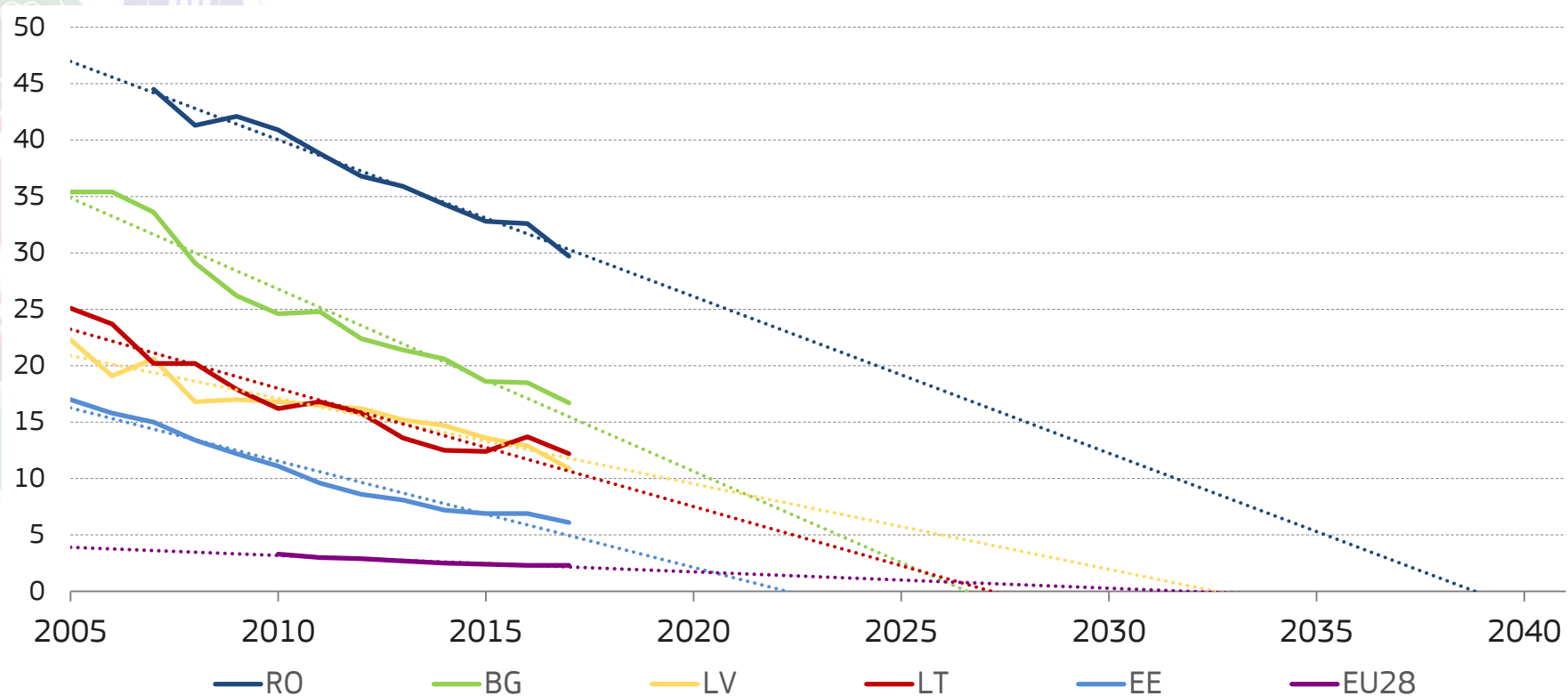




European Commission

Lack of basic plumbing

No indoor toilet for sole use of household, selected countries





Policy pointers

Childcare

- High childcare costs & low progressivity are major cause of inequality in childcare use
- ✓ Reducing childcare costs (in countries where these are high) has positive impact on employment

Human capital

- Low employment rates in young cohorts
- ✓ Increase work experience in curricula

Housing

- Housing is becoming less affordable in capital cities with adverse consequences on opportunities for workers and investment in skills
- ✓ More support needed for tenants who face difficulties in terms of housing affordability and energy-efficient housing



Discussion



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