



*Employment and  
Social Developments in Europe*

# **Sustainable growth for all:**

*choices for the future of  
**Social Europe***

## **HIGHLIGHTS FROM ESDE 2019**

**DG Employment, Social Affairs and Inclusion  
European Commission**

**Barbara Kauffmann  
Director, Employment and Social Governance**

27 September 2019, Brussels

**#ESDE2019**

Social Europe

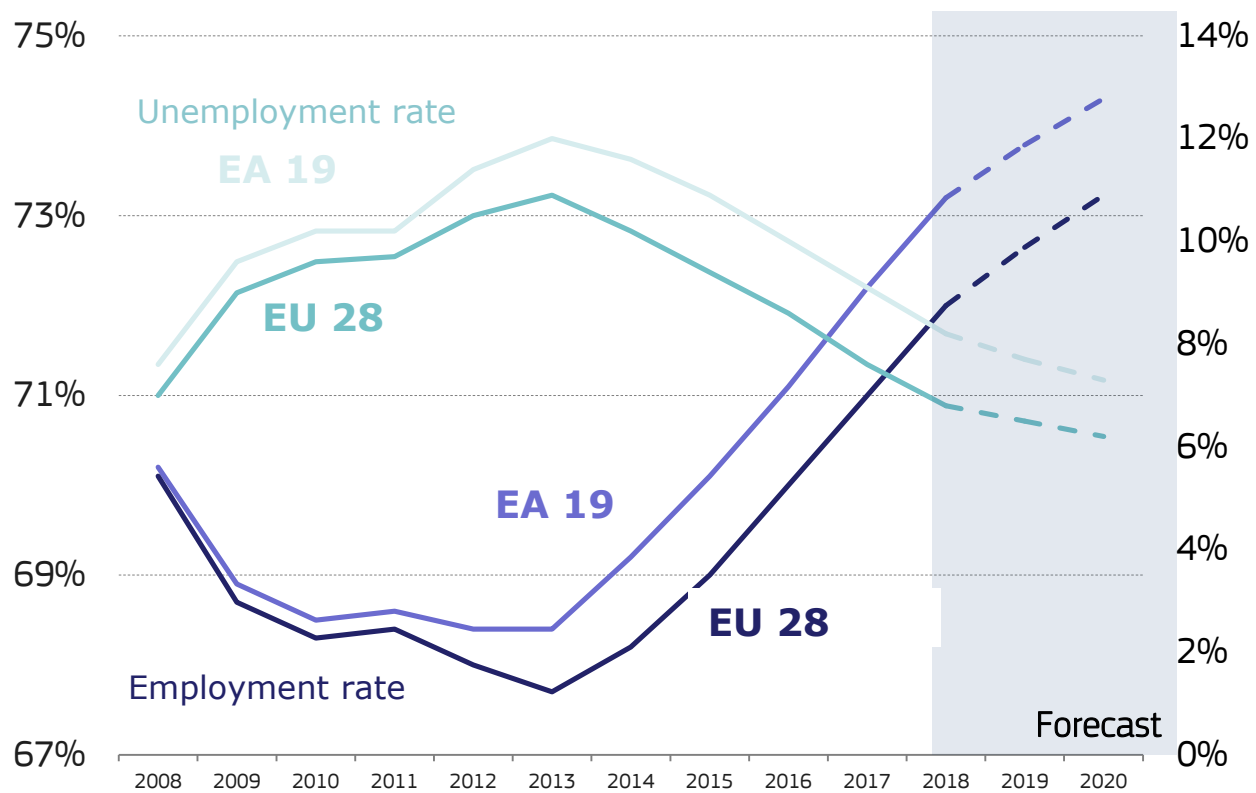
In cooperation with the



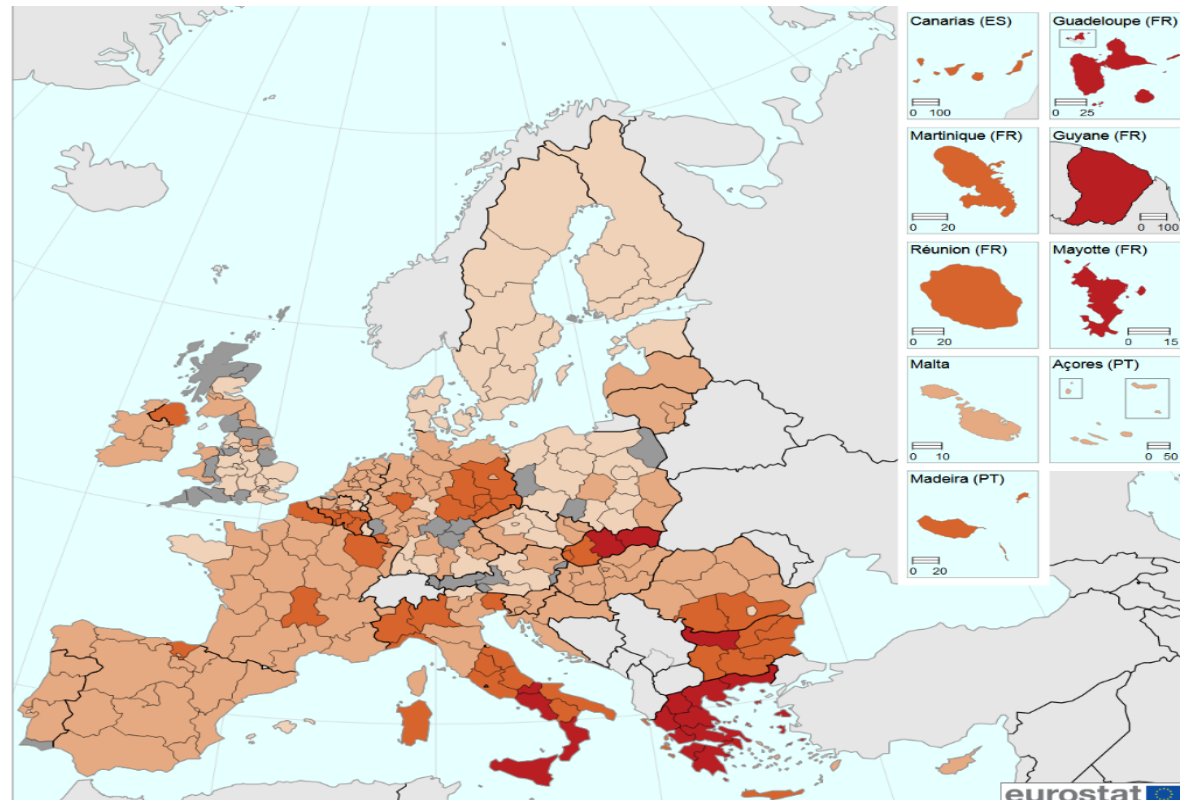
European Economic and Social Committee

# Record EU employment and unemployment rates but MS + regional divergences

**Unemployment rate (15-74): right scale**  
**Employment rate (20-64): left scale**

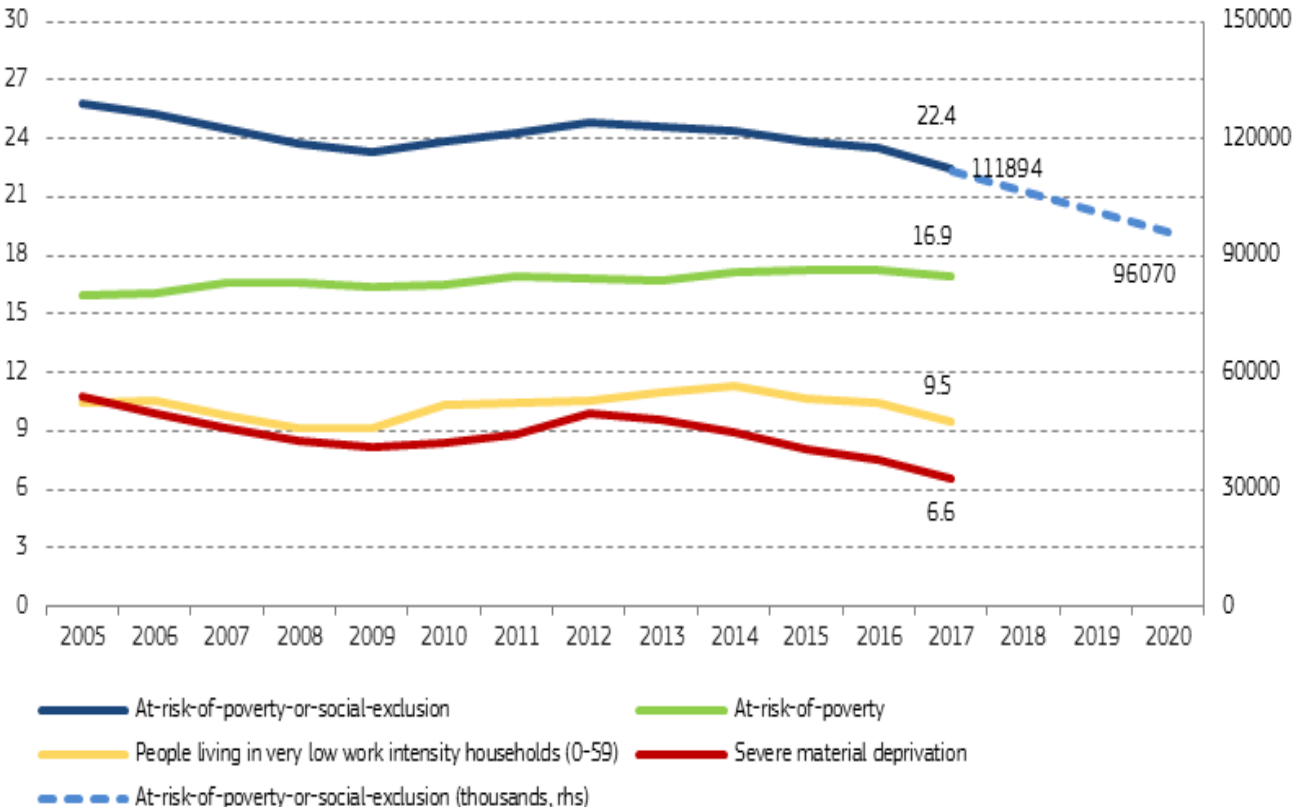


**Long-term unemployment shares**  
 (by NUTS 2 regions, 2018, % share of unemployed persons, 15-74)

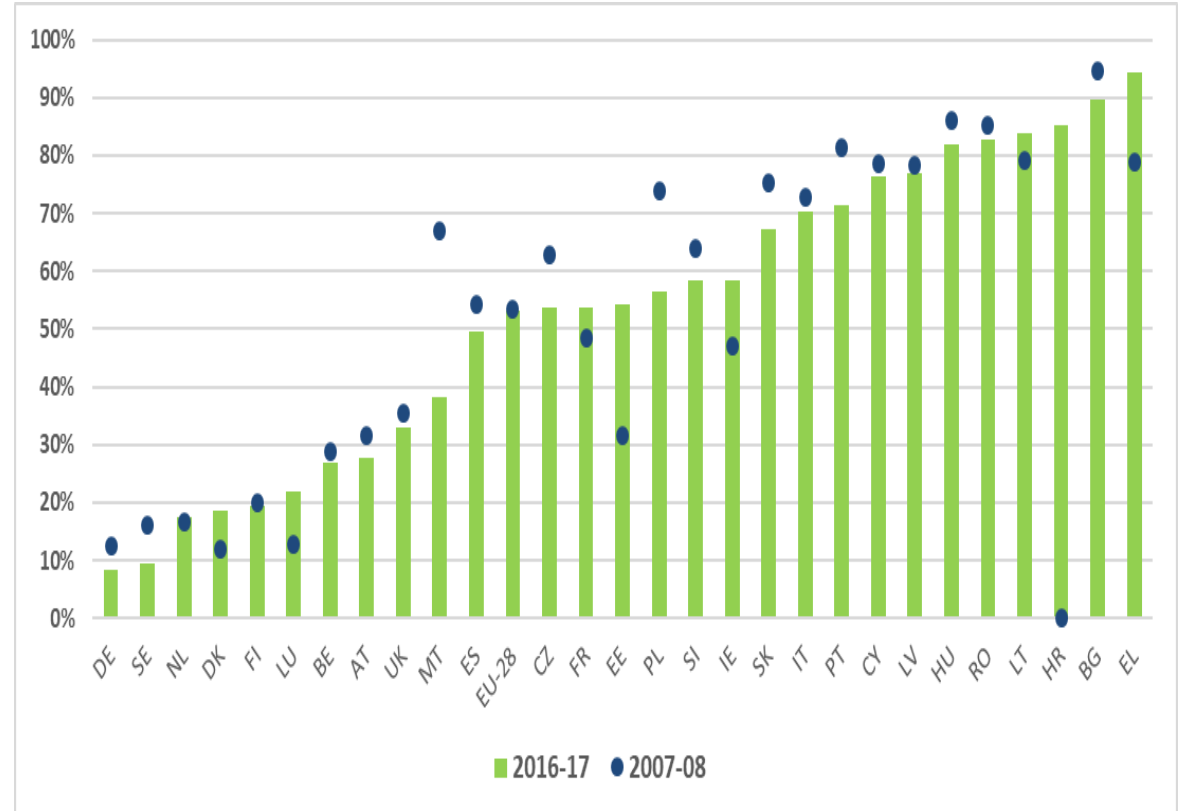


# The social situation (AROPE) continues to improve but the middle class feels under financial pressure

Proportion of population (%) in each (sub)group of precariousness



Proportion (%) of middle class households reporting that they have difficulties in making ends meet



**Sustainability:  
"living well within the  
boundaries of our  
planet"**



### **Addressing the main sustainability challenges for the EU:**

- ❑ *Rolling back the legacy of the crisis: uneven socio-economic developments, persistent inequalities*
- ❑ *Boosting sluggish productivity growth, incl. through investments (in infrastructure, R&D, human capital) and through better institutions*
- ❑ *Balancing fairly short-term costs vs. long-term benefits: incentivize (social and other) investment*
- ❑ *Taming unequal employment, social and distributional impacts of megatrends (technological change, ageing, globalisation, climate change)*

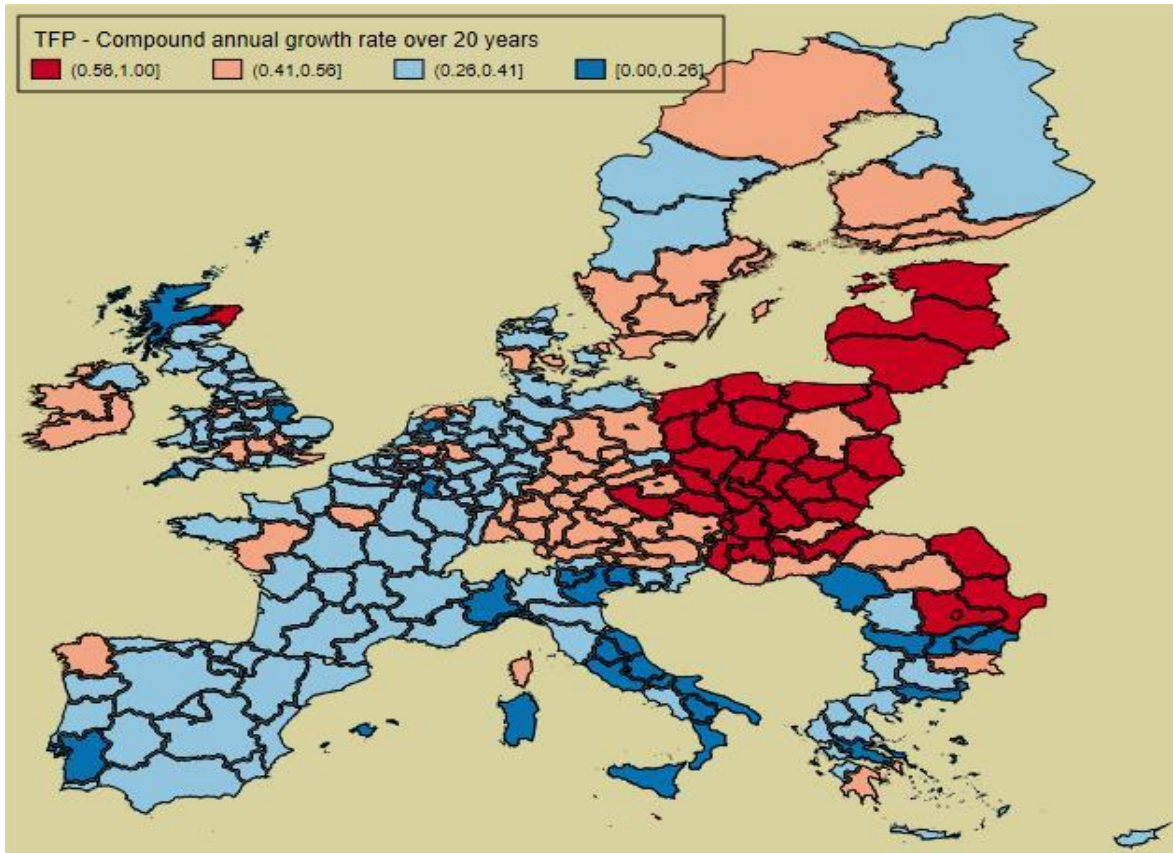
### **How to do it (analysis in ESDE 2019):**

- *Economic growth: boosting productivity*
- *Social investment: productive investment*
- *Climate change: costs of inaction and (net) benefits of action*
- *Social dialogue: promoting sustainability*

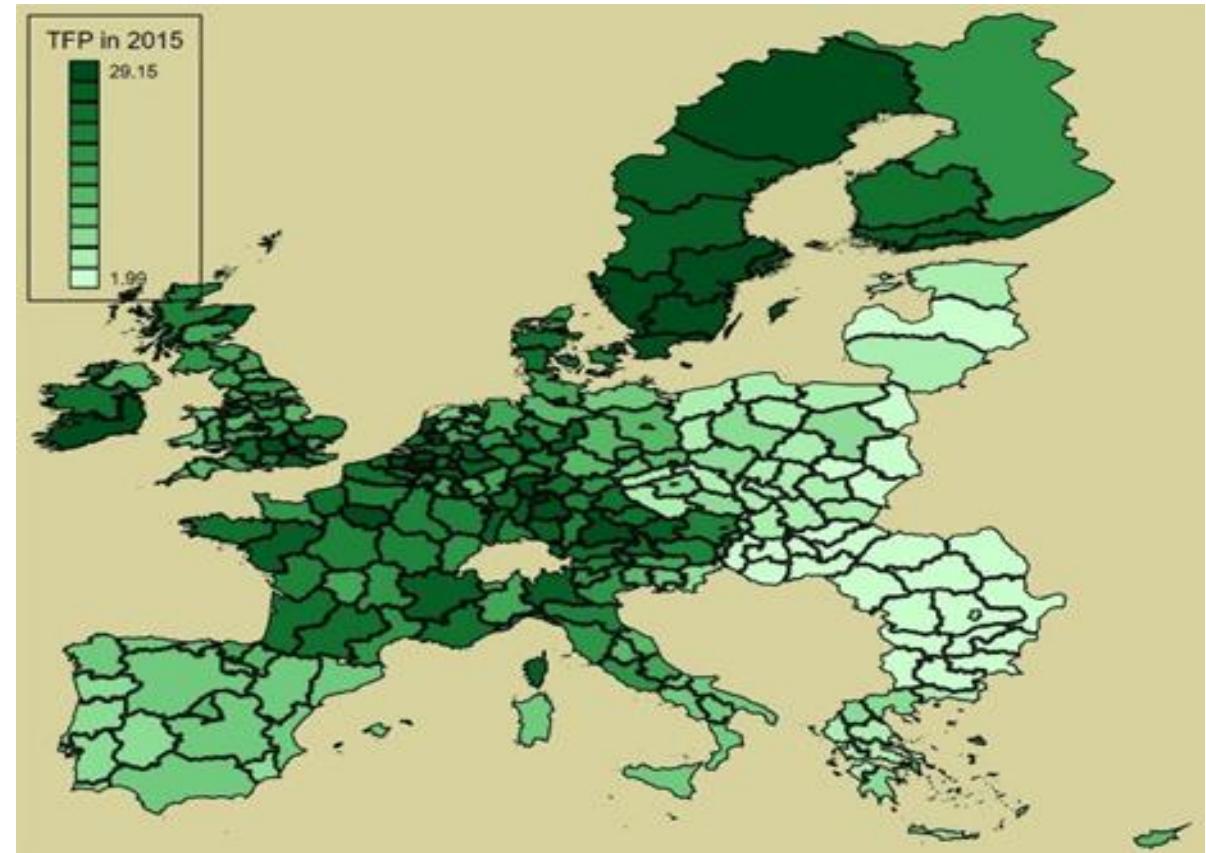


## Total Factor Productivity has been converging but large differences remain

TFP Change 1995-2015



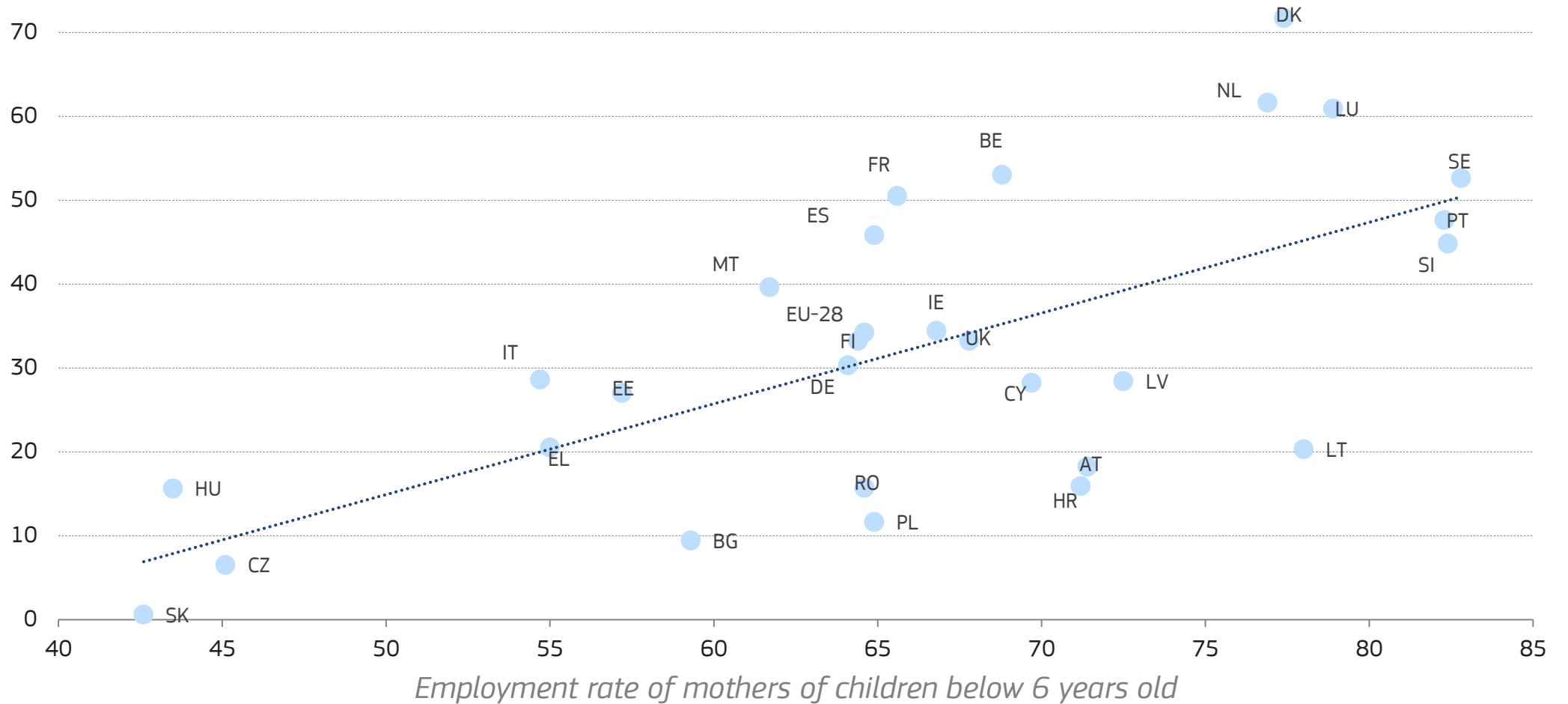
TFP Level 2015





## Greater use of childcare - higher employment rates of mothers in MS

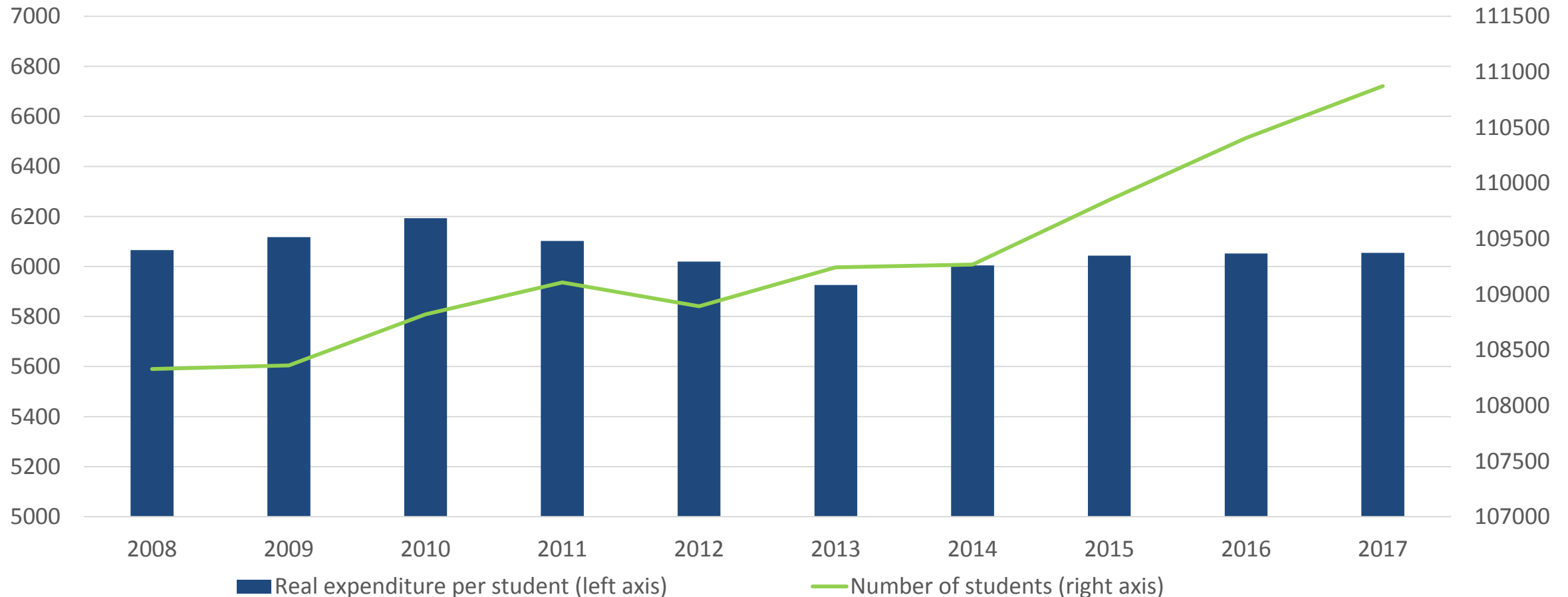
Formal childcare use for children under 3





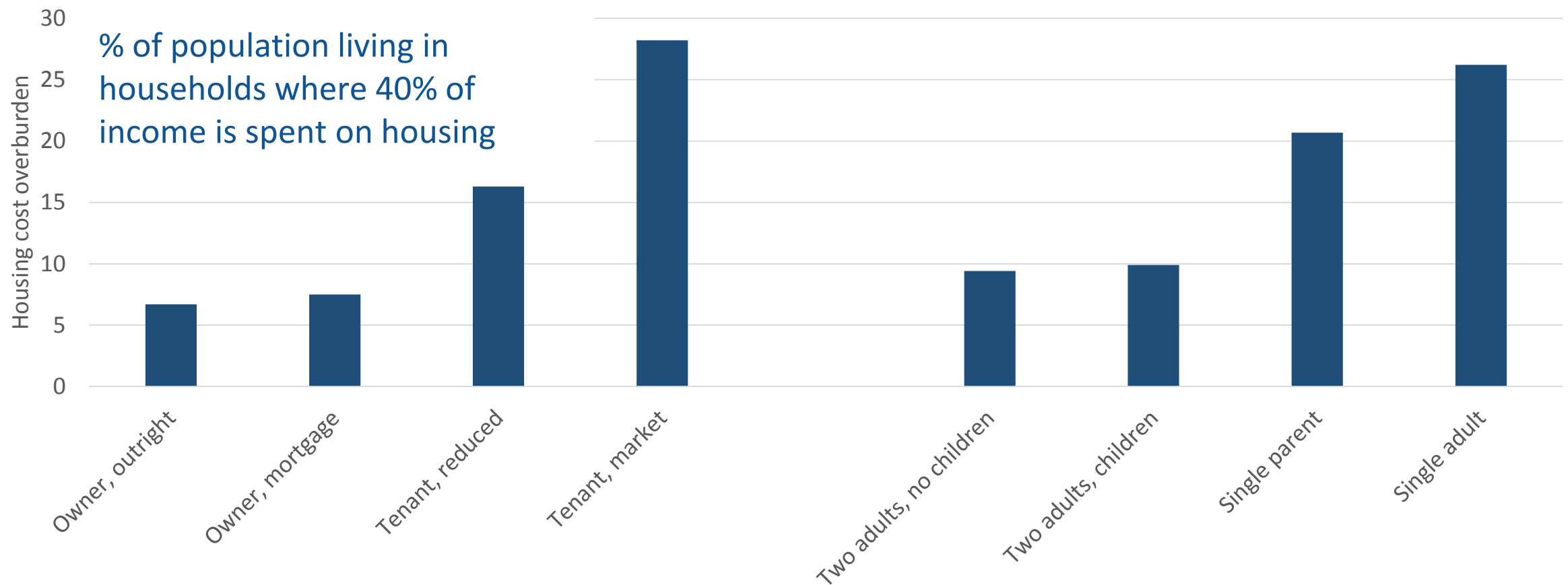
# Is investment in education and skills up to the level of our ambitions?

Number of students increased over the last decade but not the real expenditure per student





## Tenants and single person households overburdened by housing cost

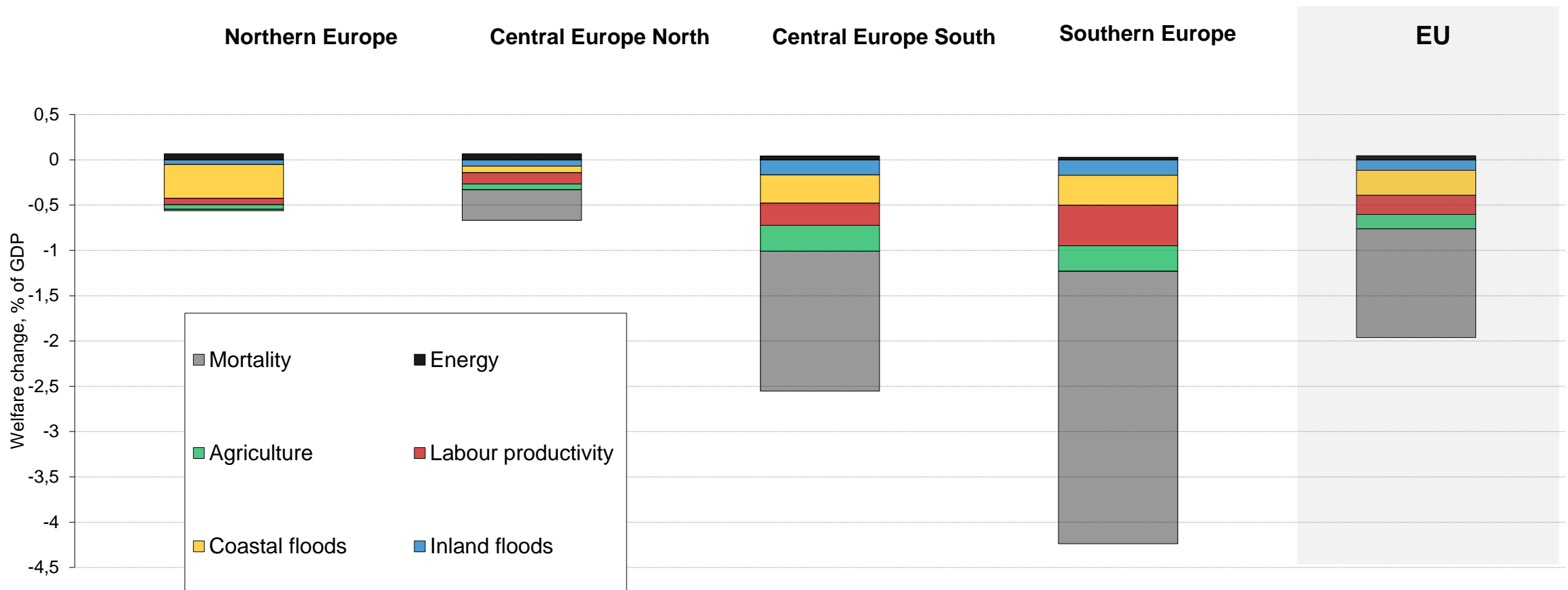






# Socio-economic costs of climate inaction in the EU

(long-term impact on GDP)

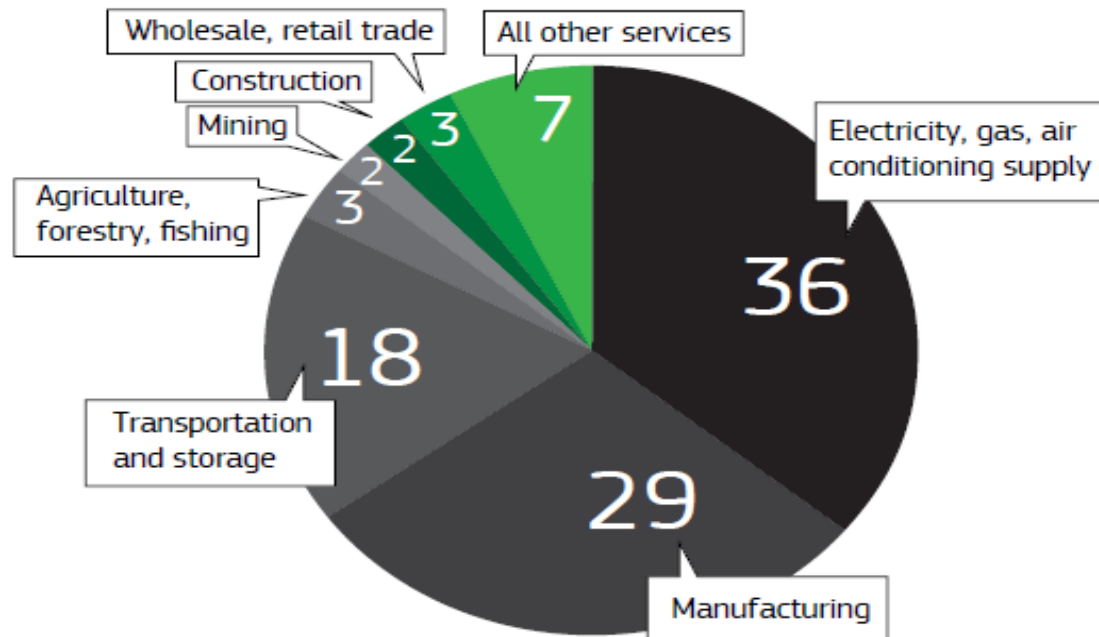




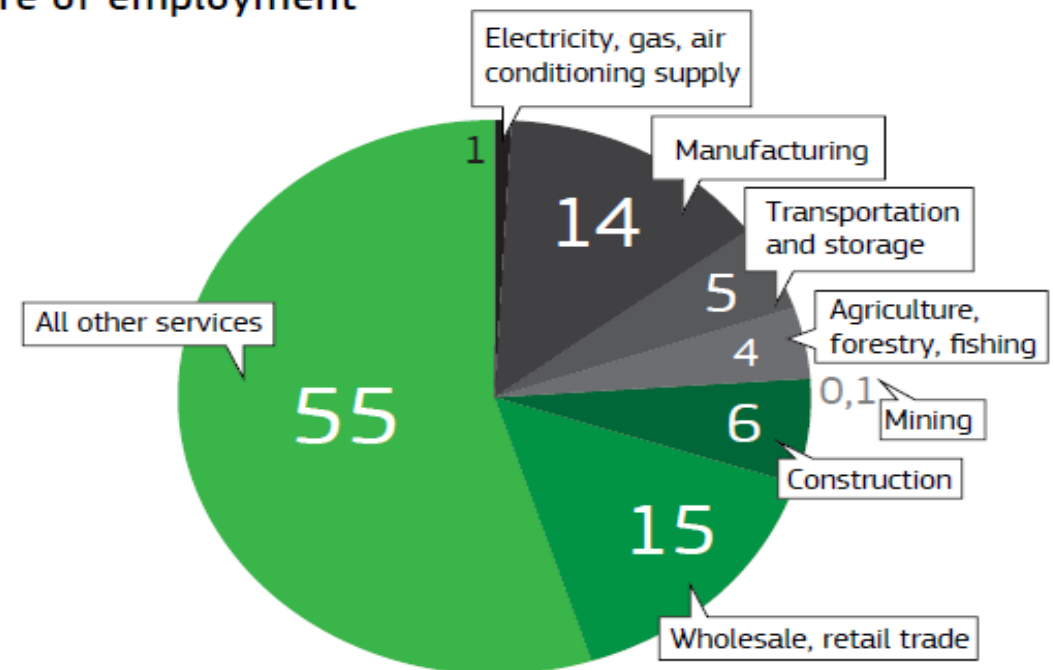
## More than 75% of jobs are in sectors that emit less and grow faster

Employment and emissions in % of total, with sectors (NACE 08) ordered by decreasing share of CO2 emissions

Share of emissions



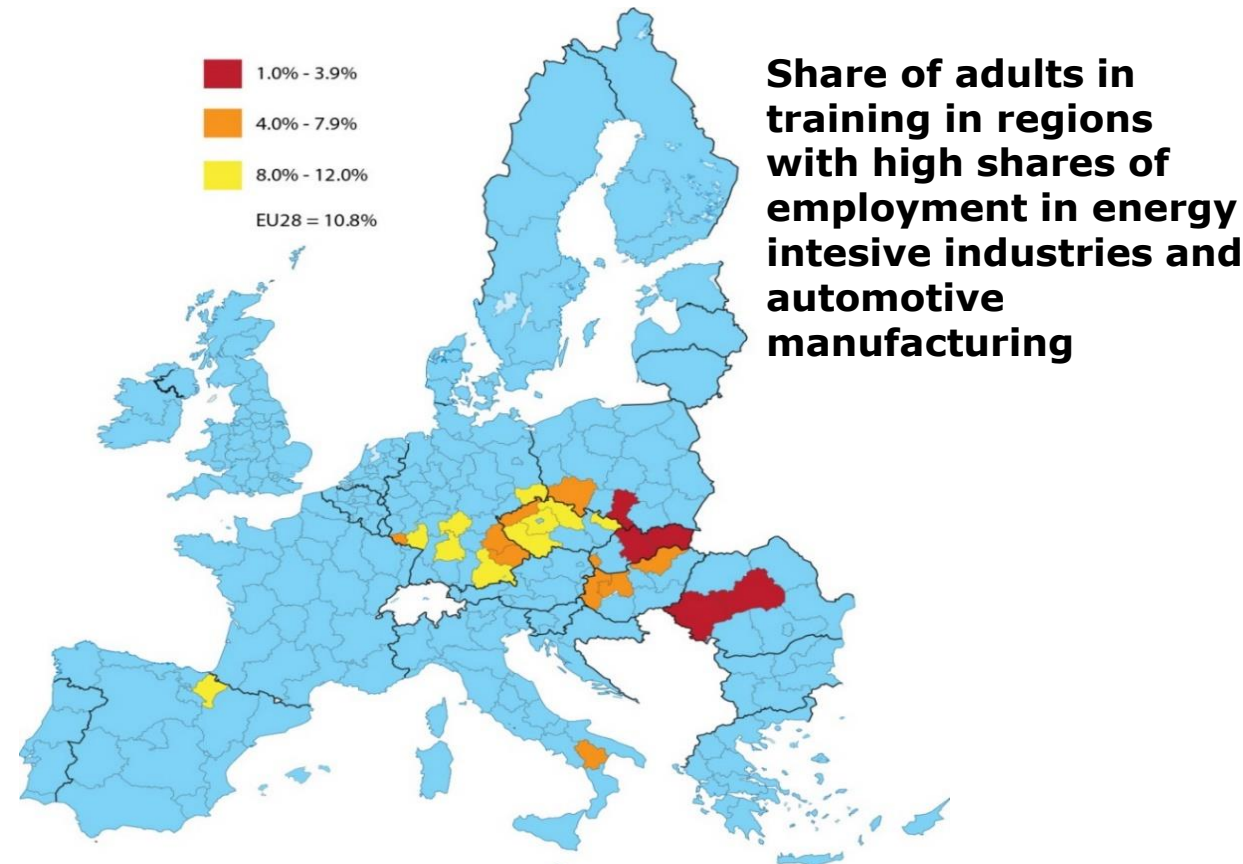
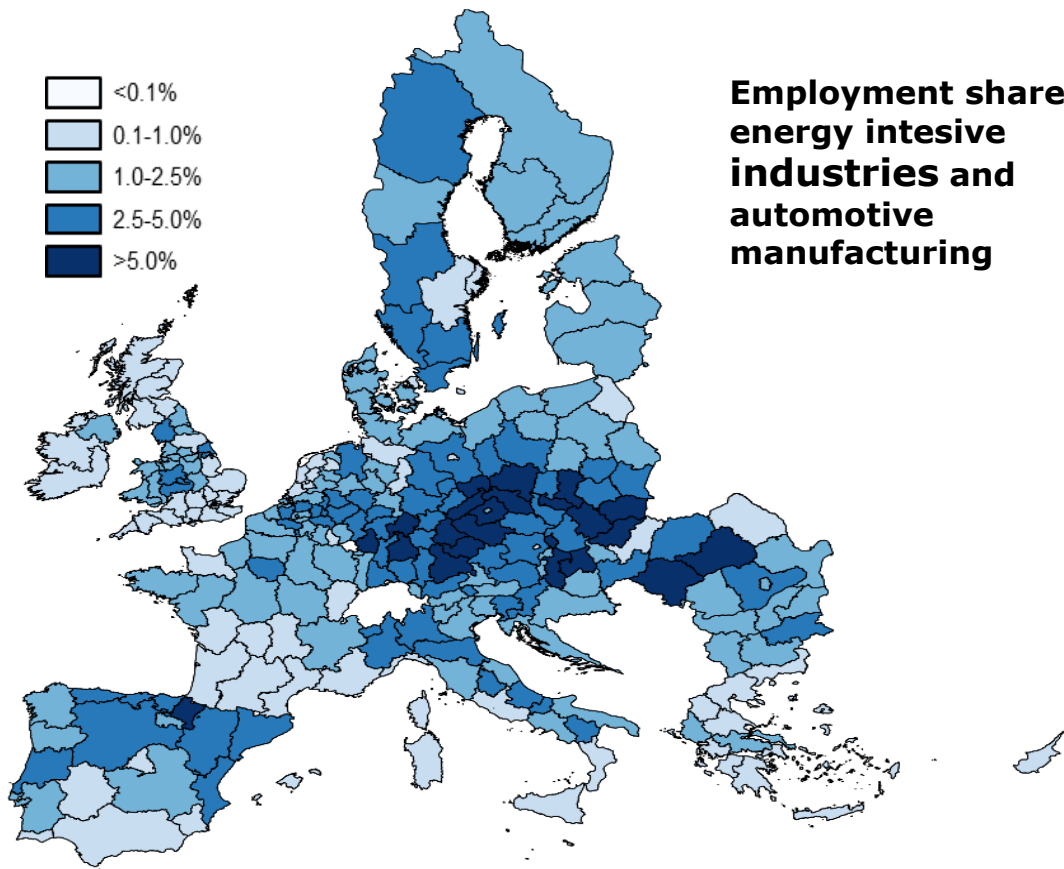
Share of employment





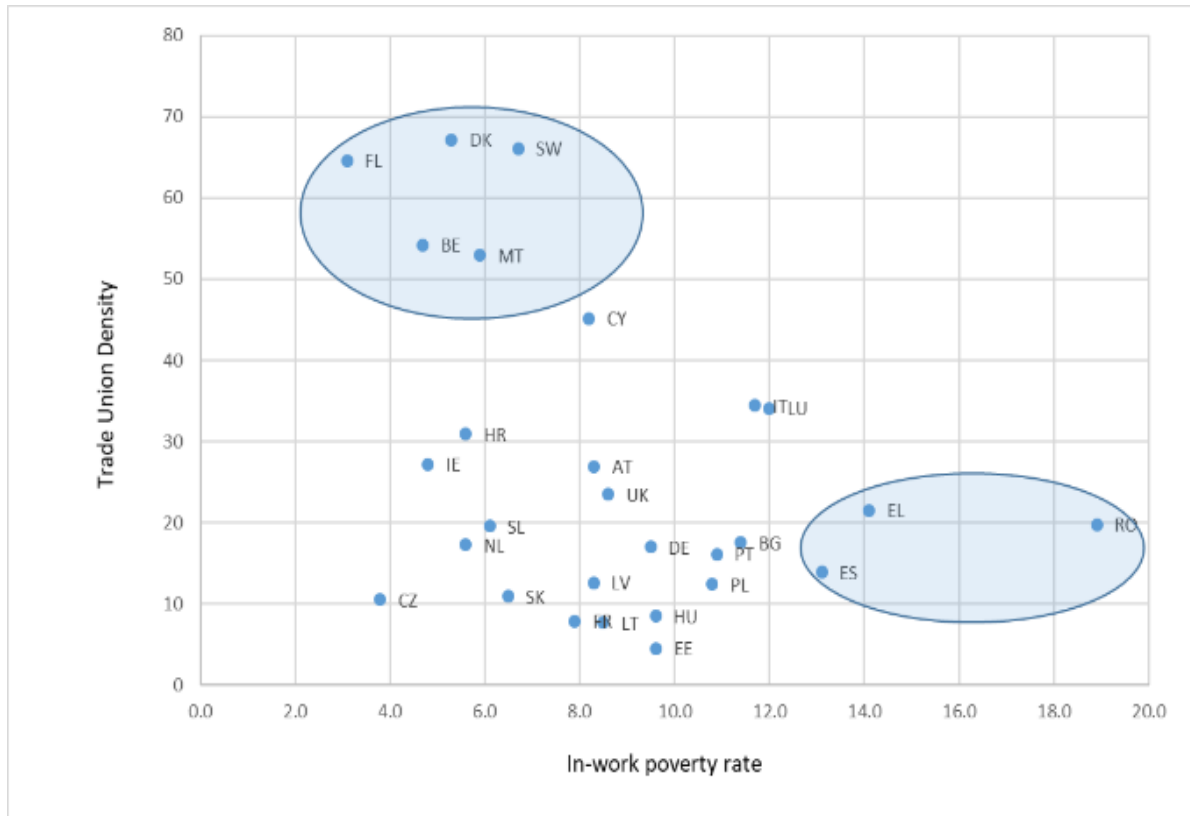
## Transition challenges vary across EU regions

Some regions that will undergo the greatest adjustments have low take-up of adult training

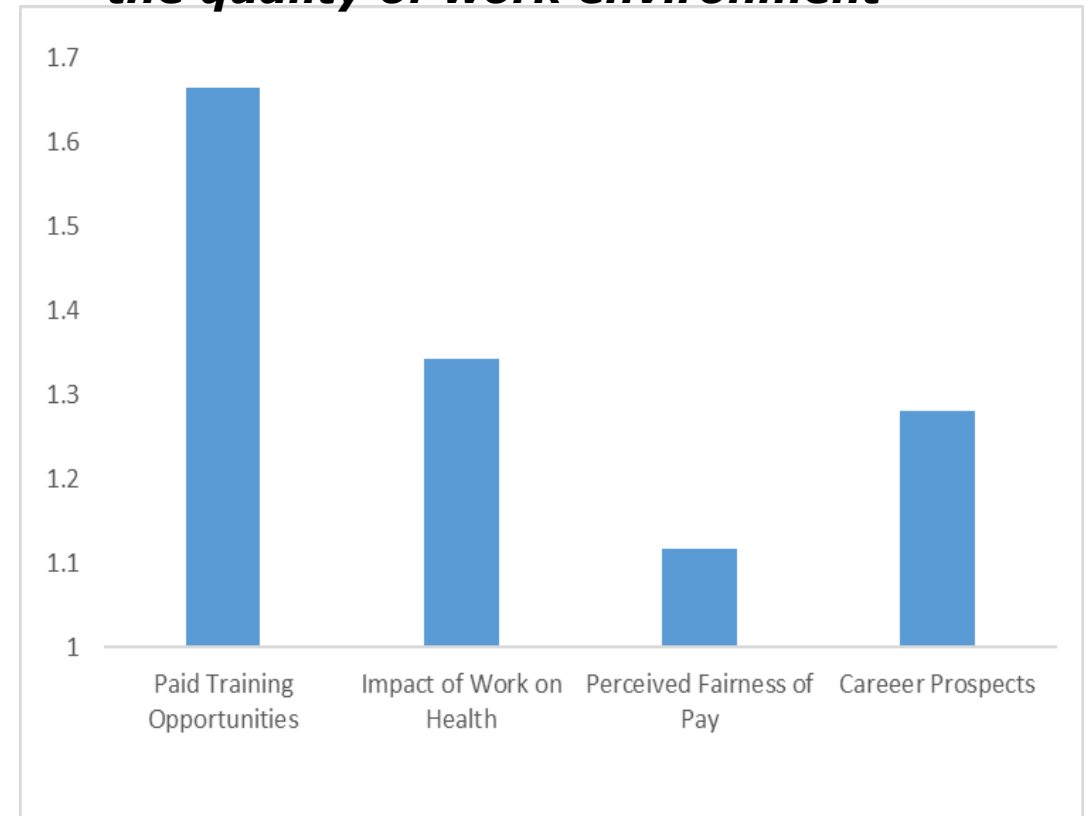


# Social Dialogue supports productivity and sustainability

**Countries with high trade union density have lower in-work poverty rates**



**Employee representation improves the quality of work environment**





## **Social Dialogue supports a fair and just transition**

- ❑ facilitates the transition to a more sustainable economy by developing a common understanding of challenges and promoting **inclusive** ways of addressing them;
- ❑ EU cross-industry social partners' joint statement: "Tapping the potential from greening the economy for jobs creation", 2017;
- ❑ numerous examples of joint positions at sectoral level, especially most affected (extractive industries, electricity, urban public transport);
- ❑ national level initiatives (e.g. Kohlekompromiss in DE)
- ❑ measurable progress towards embracing the ecological challenges has been slow - new momentum?





## Policy pointers

*'Think social (and green) from the outset':*

- *better invest upfront than compensate ex-post*
  - *The European Pillar of Social Rights can guide social policies*
- *boost productivity and activity through integrated policies and governance focused on:*
  - innovation
  - new and better skills
  - inclusive labour markets
  - inclusive social protection
  - a just transition to a climate-neutral economy and society (leaving nobody behind)
  - social dialogue focus on sustainability solutions



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***Thank you for your attention!***

**[ESDE 2019 – FULL REPORT](#)**

**[ESDE 2019 conference, 27 September 2019, Brussels](#)**

**[EMPL-A4-UNIT@EC.EUROPA.EU](mailto:EMPL-A4-UNIT@EC.EUROPA.EU)**

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European Economic and Social Committee