

# Commission reports on employment and social situation in the EU: record high employment rates and signs of improvement for the youth

Employment in the EU continues to grow at a consistent pace and in almost all Member States. Employment increased by 1.5 % in the EU and 1.6% in the euro area in the second quarter of 2017 compared to the same period in 2016. There are 3.5 million and 2.4 million more people employed in the EU and euro area compared to last year. This means that 235.4 million people are now employed in the EU. This is the highest level ever recorded. Compared to the third quarter of 2014, this corresponds to 8 million and 5.6 million more people employed in the EU and euro area respectively.

EU employment increase over the past four years has particularly benefited the younger generation. While youth unemployment is still too high in the EU, the rate decreased steadily and faster than overall unemployment: it now stands at 16.9 %, reaching a level lower than in 2008.

Marianne **Thyssen**, Commissioner for Employment, Social Affairs, Skills and Labour Mobility, commented: *"Today's results are encouraging. More people than ever before in Europe have a job and unemployment has reached a nine-year low. And we see 2.2 million more employees with permanent contracts compared to last year. We need to continue on this path and improve the economic and social conditions for all. With the European Pillar of Social Rights, we have our roadmap towards well-functioning and fair labour markets that are fit for purpose in the 21<sup>st</sup> century. We would like to see it proclaimed together by Parliament, Council and Commission at the Social Summit in Gothenburg on 17 November 2017."*

The Quarterly Review also shows that the **EU's economy continues its expansion** in all Member States with a growth of 2.4 % in the EU and 2.3 % in the euro area over the last year. This also translated in an **improvement of EU households' financial situation** with greater income from work, while the increase in social benefits came to a halt. Nearly all Member States continued to see growth in household income between the first quarter of 2016 and the first quarter of 2017.

Further figures on the labour market confirm the improved health of the EU economy:

- **Unemployment rate in the EU and euro area has continued its steady decline since mid-2013 in almost all Member States.** In August 2017, it decreased to 7.6 % in the EU and 9.1 % in the euro area, a yearly reduction of 0.9 percentage points in both cases. The rate recorded in August 2017 was the lowest in the EU since November 2008.
- **Long-term unemployment rate, which has been decreasing for three years,**

**declined by further 0.5 percentage points** in the year to the first quarter of 2017. In almost all Member States, long-term unemployment is declining. But the share of long-term unemployment in total unemployment is still high, at around 45 %.

- **The number of employees with permanent contracts grew by 1.4 % in the year to the first quarter of 2017.** This represents an increase of 2.2 million employees, which is four times more than the increase in temporary contracts (500.000, 1.5 % yearly growth).

## **Background**

The Quarterly Review on Employment and Social Developments in Europe provides an overview of recent social and labour market developments in the EU. It looks at short-term changes in GDP and employment trends.

On 26 April 2017, the Commission presented the [European Pillar of Social Rights](#), which sets out 20 key principles and rights to support fair and well-functioning labour markets and welfare systems. Delivering on the Pillar, the Commission presented a legislative proposal to improve work-life balance of working parents and carers, and launched social partner consultations to modernise the rules on labour contracts (link to [second stage](#)) and on access to social protection for all.

In his [2017 State of the Union address](#), President Juncker confirmed the Commission's commitment to move forward with the Pillar as an essential means to assert European values and create a deeper and fairer EU: *"If we want to avoid social fragmentation and social dumping in Europe, then Member States should agree on the European Pillar of Social Rights as soon as possible and at the latest at the Gothenburg summit in November."* The Social Summit for Fair Jobs and Growth will take place in Gothenburg, Sweden, on 17 November 2017. More information on the Summit can be found [here](#).

## **More information:**

[Quarterly Report on Employment and Social Developments in Europe](#)

[European Pillar of Social Rights](#)

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