

# Employment: Commission report shows increased wage growth and swifter transitions from unemployment to employment

This year's edition confirms the positive labour market trends that have been witnessed in the EU. EU employment has surpassed pre-crisis levels with more than 235 million people at work. Unemployment which now stands at 7.6% is also approaching levels prior to the recession. In addition, the report shows that it has become easier for unemployed people to find a job. On the other hand, more flexible working arrangements have brought advantages to both firms and individuals, but have led in some cases to a divide between workers holding different types of contracts, with people in temporary employment and self-employment being less well protected.

Marianne **Thyssen**, Commissioner for Employment, Social Affairs, Skills and Labour Mobility, commented: *"More and more people in Europe are able to find a job and we witness the highest employment level ever recorded. Europe is reaping the benefits of targeted policy reforms. At the same time we need to address further challenges. We must ensure fair working conditions and protection for all workers, independent of their employment status. On the basis of the European Pillar of Social Rights, which we launched on 26 April, we are working to modernise the rules on employment contracts and social protection to achieve better working and living conditions across the EU."*

The 2017 Labour Market and Wage Development Report also shows that in 2016, wages in the euro area rose by 1.2% and they increased in almost all Member States. Member States with comparatively low wage levels (such as the Baltics, Hungary and Romania) recorded the highest increases. This means wages are converging across Europe. However, in many countries, the growth rate of wages is still lower than expected based on the recent falls in unemployment. In addition, in almost all Member States, wages of temporary workers are lower than those of permanent workers, especially in Member States where the share of temporary employment is higher.

Delivering on the European Pillar of Social Rights, 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](#) and on [access to social protection for all](#). These initiatives could – once adopted – provide answers to the challenges highlighted in this year's Labour Market and Wage Developments in Europe report, such as labour market segmentation and lack of protection of workers in non-standard forms of employment.

## **Background**

The [Labour Market and Wage Developments in Europe report](#) analyses the labour

market from a macroeconomic perspective. It provides an analysis of recent employment and wage developments, looking at the euro area and the EU as a whole in comparison with its global trading partners. Each edition includes a thematic chapter that deepens the macro-economic analysis of a relevant issue. Previous editions of the report can be found [here](#).

The proposal for a [European Pillar of Social Rights](#), adopted by the Commission on 26 April 2017, sets out 20 key principles and rights to support fair and well-functioning labour markets and welfare systems. 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](#).

### **For more information**

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