

# Speaking points by Commissioner Thyssen on the presentation of the European Semester Autumn Package

Ladies and gentlemen,

Europe is in a phase of solid economic growth and improving labour markets. Yet, faced with increasing uncertainty, we must not relax our reform efforts.

The positive trend of employment growth is continuing. Around 12 million jobs have been created since the start of the Juncker Commission.

In the second quarter of this year, 239 million persons were employed in the EU. Employment has never been so high in the EU. We are well on track to reach the Europe 2020 target of a 75% employment rate in 2020.

Also more and more people are participating in the labour market. The activity rate has reached a record high. We have now surpassed the activity rate of the United States.

The number of people at risk of poverty or social exclusion is now below pre-crisis levels. In 2017 alone, 5 million people exited from poverty or social exclusion, and the trend is set to continue this year.

Europe is also making progress on the implementation of the European Pillar of Social Rights.

- We have recorded an improvement for 13 out of the 14 indicators of the social scoreboard over the last year, when looking at their average values for the EU as a whole.
- Unemployment is at its lowest in ten years.
- Youth unemployment continues to go down and is now below 15%.

Still, the economic recovery is not benefitting all citizens and countries in the same way.

- First, household incomes have been growing more slowly than GDP. This means that the recovery has reached households only to some extent. It is crucial that the recent growth reaches everyone.
- Second, we also see that real wages have been growing less than productivity on average in 2016 and 2017. This is a long-term trend, which needs to be reverted.
- Third, the gender pay gap is still too high and declining too slowly. Although more and more women are employed and women are generally better qualified than men. And this brings an even wider pension gap.
- The conditions are now in place for us to invest more in our societies, in our people, so that this recovery becomes permanent and benefits

everyone, including the generations to come.

There are two key priorities.

- First, to keep on investing in people's skills. This is our most effective tool to equip people for the changing world of work and tackle one of the roots of inequality. Almost 60 million adults lack necessary literacy, numeracy and digital skills, and if we do not act now, these people risk falling further behind. Ensuring access to quality and inclusive education and training, and creating a culture of lifelong learning, is key for young and adults alike to have successful careers. Two years ago I presented a comprehensive Skills Agenda for Europe that touches on these and other aspects. The Commission delivered on all actions proposed. The ball is now in the court of the Member States to continue the necessary reforms that make the EU more inclusive.
- Second, to address the challenges of the new world of work. Technology brings new opportunities but also challenges in terms of precariousness and insecurity. The Commission has presented concrete proposals for all workers to have predictable and transparent working conditions and adequate social protection. We hope that these files will be concluded soon.

To achieve our objective of a more social and inclusive Europe, we must fully involve social partners and civil society. They are key to improving the design of reforms, increasing ownership among citizens and ultimately leading to better socio-economic results.

A well-functioning social dialogue is a key element of the European social market economy. It helps to strengthen social cohesion and reduces conflicts in society, for the benefit of workers, employers and governments.

The European Semester is becoming more and more social. With the European Pillar of Social Rights as a compass, the Semester is the key instrument to steer the process of social convergence every year. In the last cycle, a substantial part of Country Specific Recommendations focused on the Pillar.

Social issues have been at the core of our agenda from day one. And the European Semester process, which helps us to coordinate our economies, has never been as much focused on the social aspects as it is today. Our objective should be to have adequate and sustainable social systems that serve the interests of all generations. Now but also in the longer term.

The Commission is fully committed to supporting the Member States in implementing the social principles of the Pillar, also with financial support. We strongly advocate the use of EU funds to support the implementation of the Pillar.

Our proposal for the new European Social Fund Plus (ESF+) in the next budget

provides more than 100 billion euro for social investments in our Member States.

As of this cycle, the Semester will help identify investment needs. The Member States will need to then put these funds to good use in the future. Thank you.