



# Implementing the European Pillar of Social Rights and investing in human capital: The social dimension of the European Semester

**Barbara Kauffmann**

Director for Employment and Social Governance

DG Employment, Social Affairs and Inclusion - European Commission

**The coordination of economic policies at EU level -  
A renewed role for the European Semester**

**Bucharest, 4 April 2019**

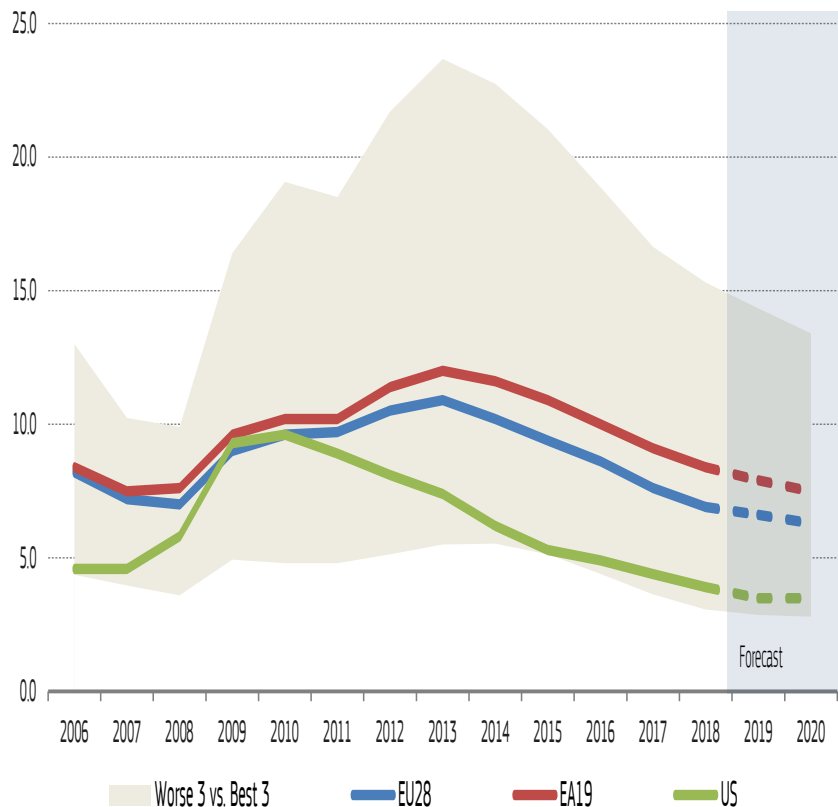


On average, in 2017, 45% of all unemployed were looking for a job for more than one year in the EU.



# Unemployment decreasing since 2013 but regional differences in LTU remain pronounced

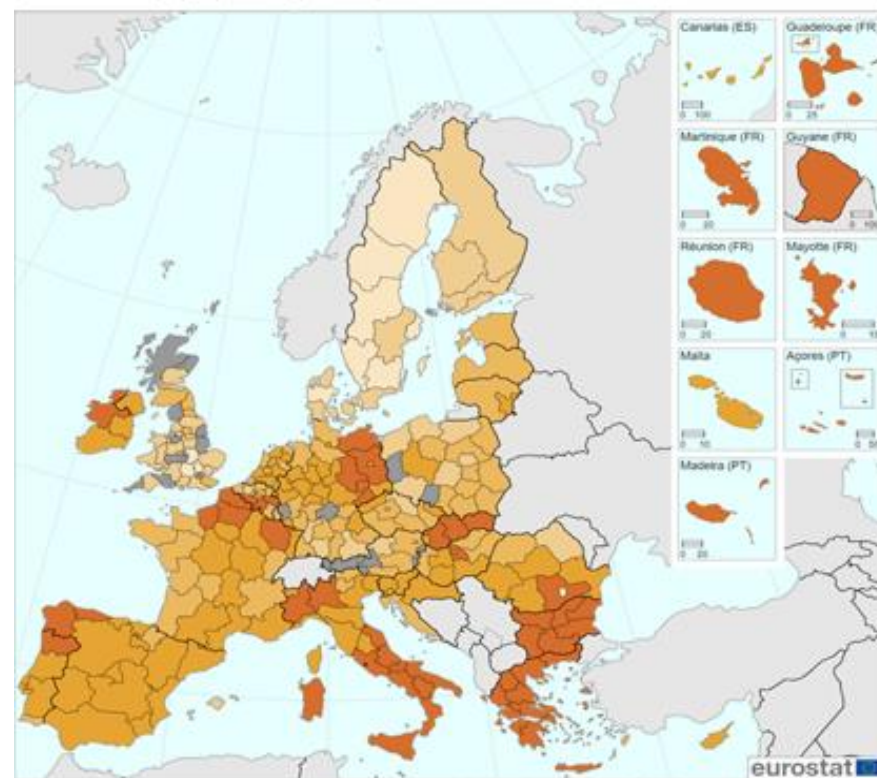
### Unemployment rate by % of the labour force



Source: Eurostat EU LFS

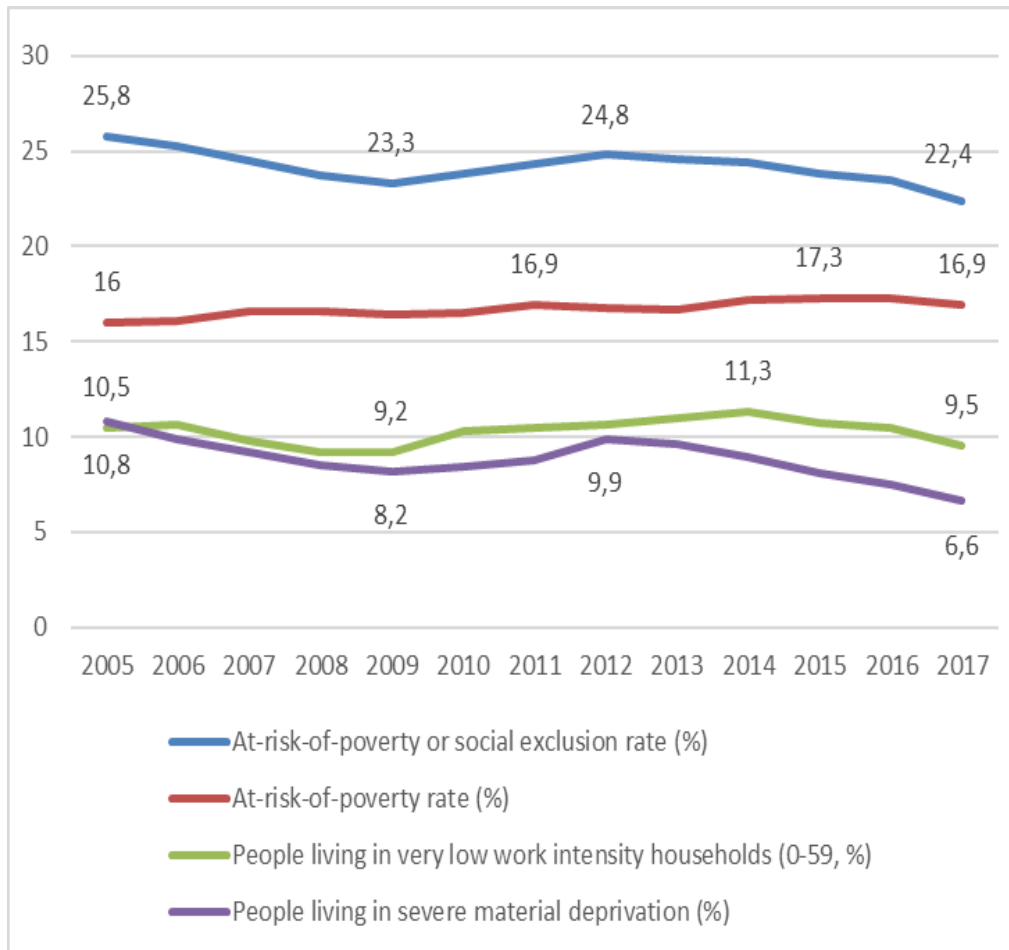
### Long-term unemployment shares by NUTS 2 regions (2017)

(% share of unemployed persons aged 15-74)



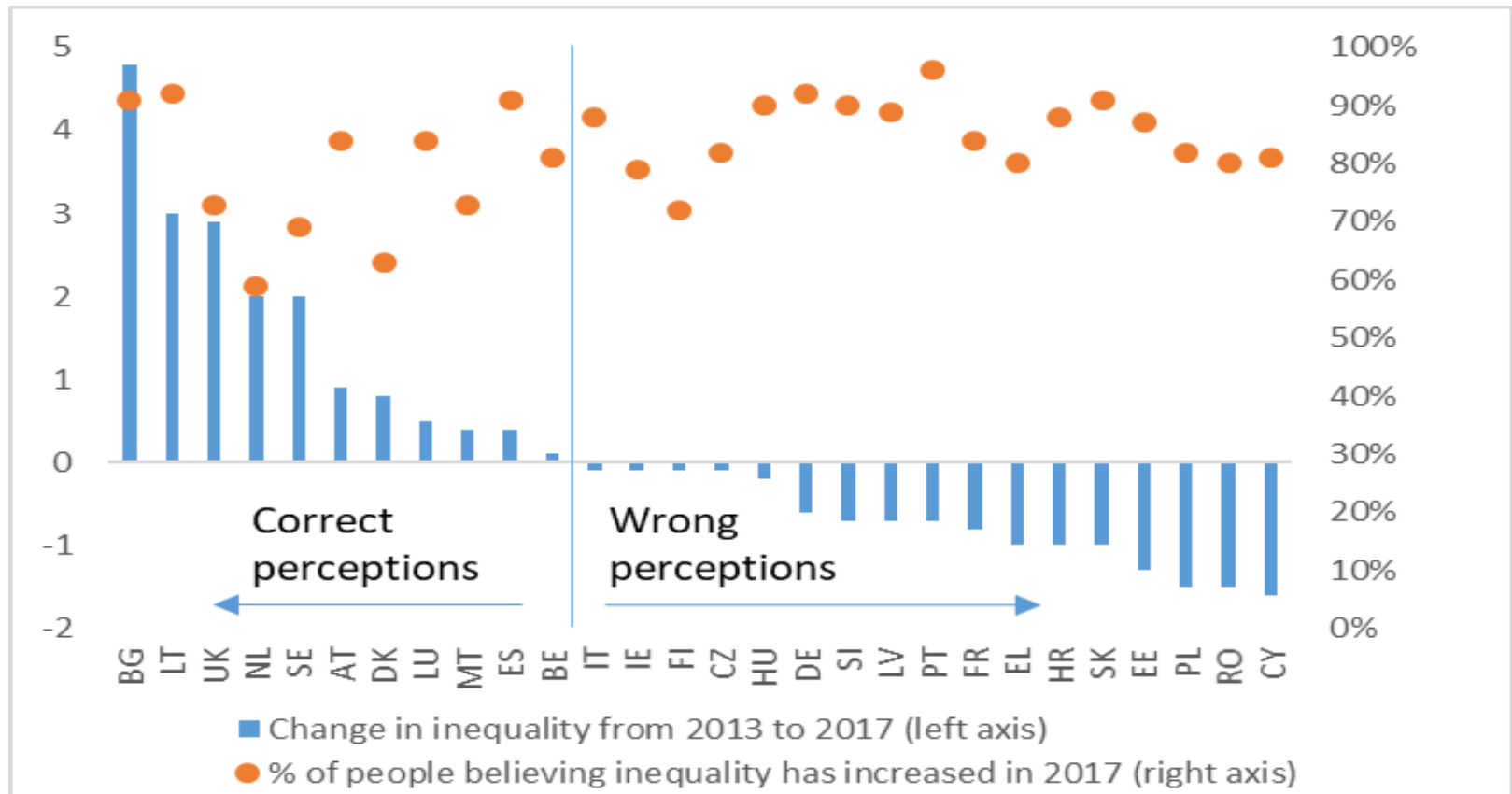
Source: ESTAT, 2018

## Social situation gradually improving



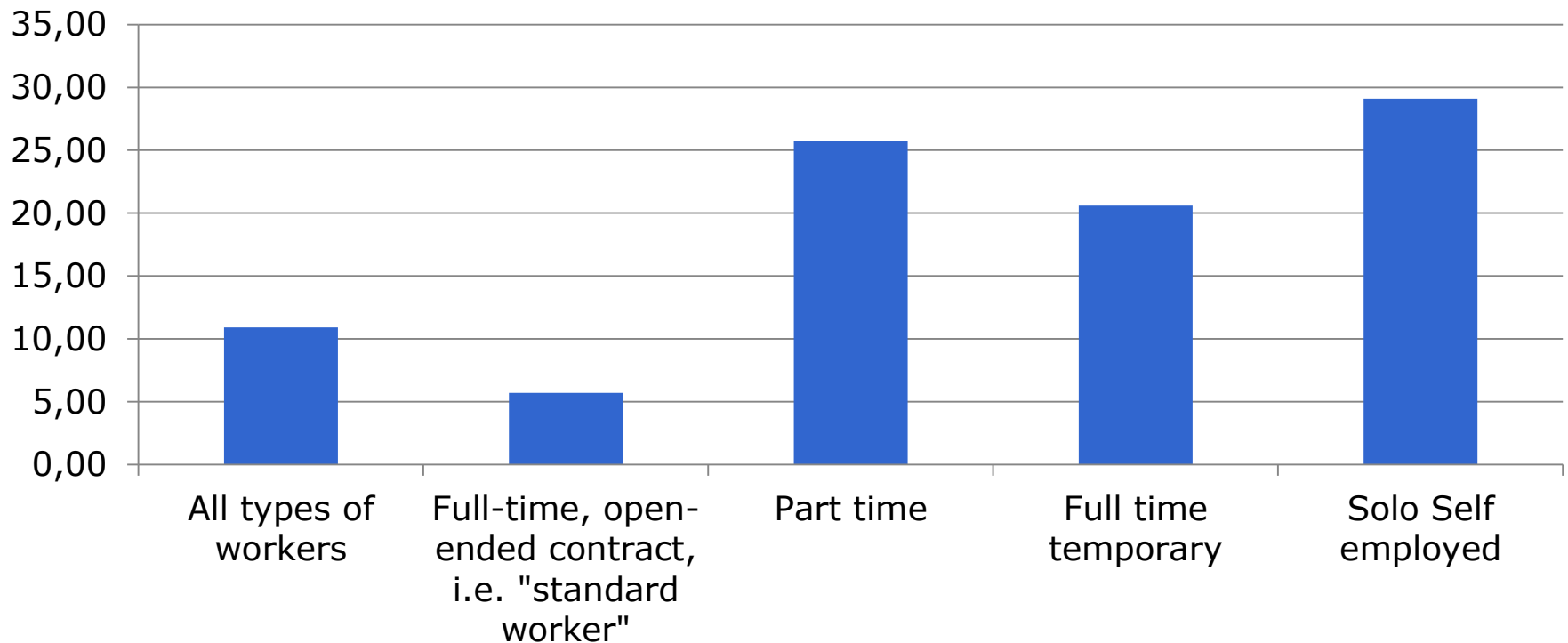
- Share of **people at risk of poverty or social exclusion** now below pre-crisis (-10 mio. over 2016-17; 4.2 mio. Less pre-crisis)
- Sharp drop in **severe material deprivation** (-17 mio. since 2012 peak)
- **In-work poverty rate** declining but still above pre-crisis
- Share of people at **risk of poverty**, and more generally **income inequality measures** slowly declining

## Inequality perceptions are often not in line with reality



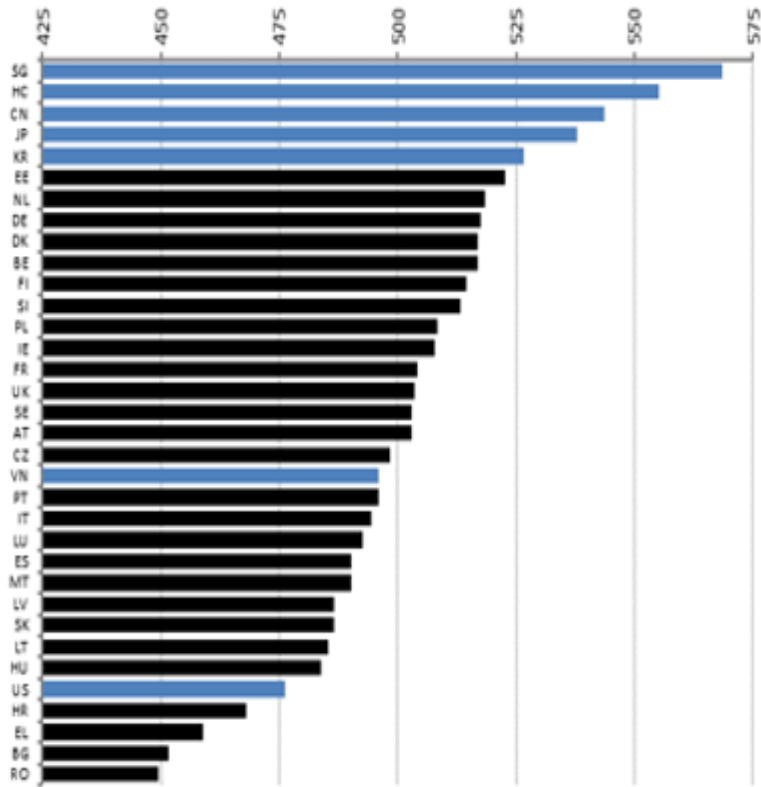
# Workers in atypical employment stand higher social risks

## Workers at risk of poverty by type of employment



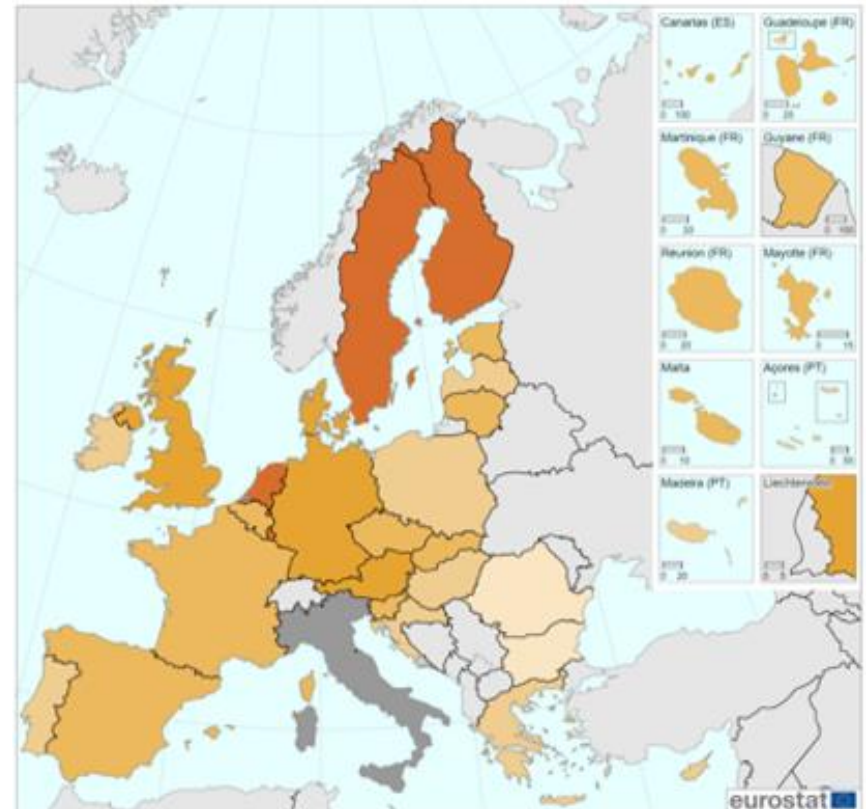
# The EU lags behind in basic skills & differences persist across MSs in digital skills

PISA (OECD) – maths scores



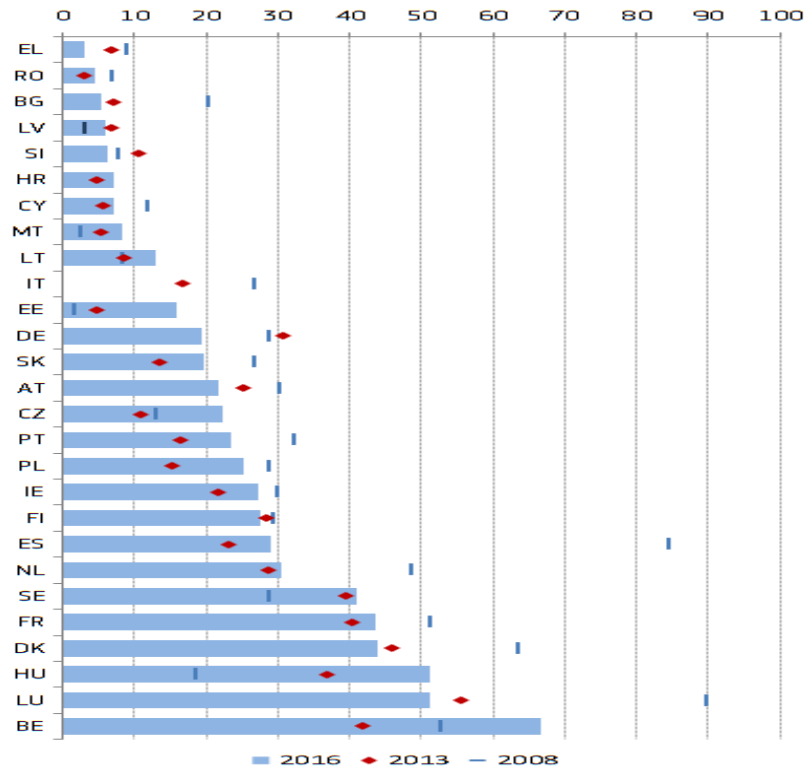
Share of low-achievers in the EU 2015: 22.2%

Digital skills (% individuals with basic or above basic overall digital skills)

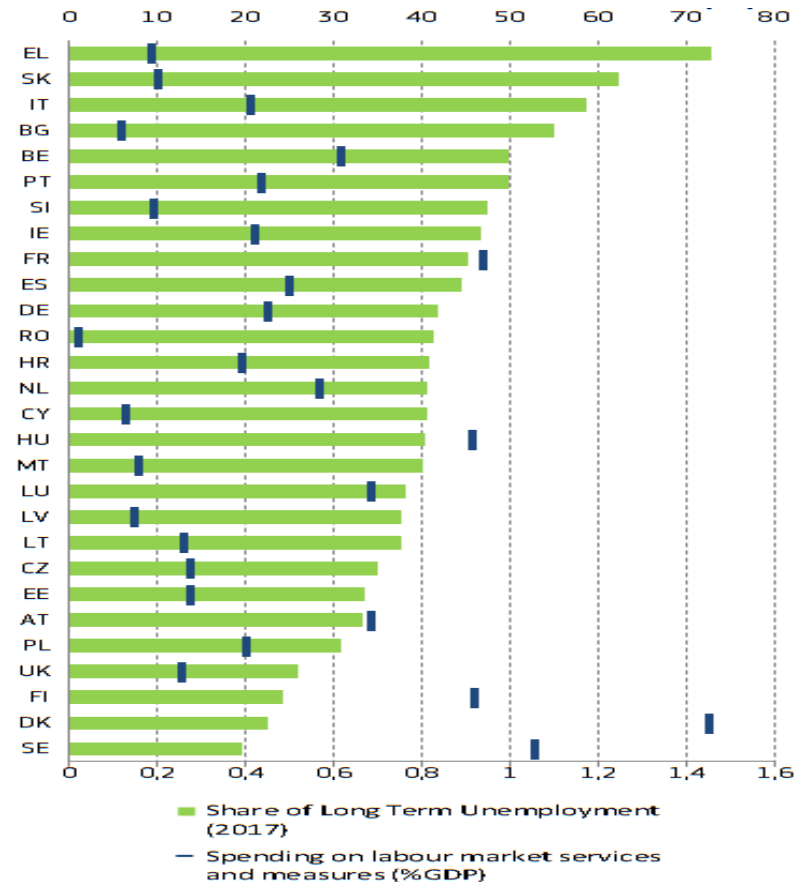


# Differences across MSs in participation and total investment in ALMPs

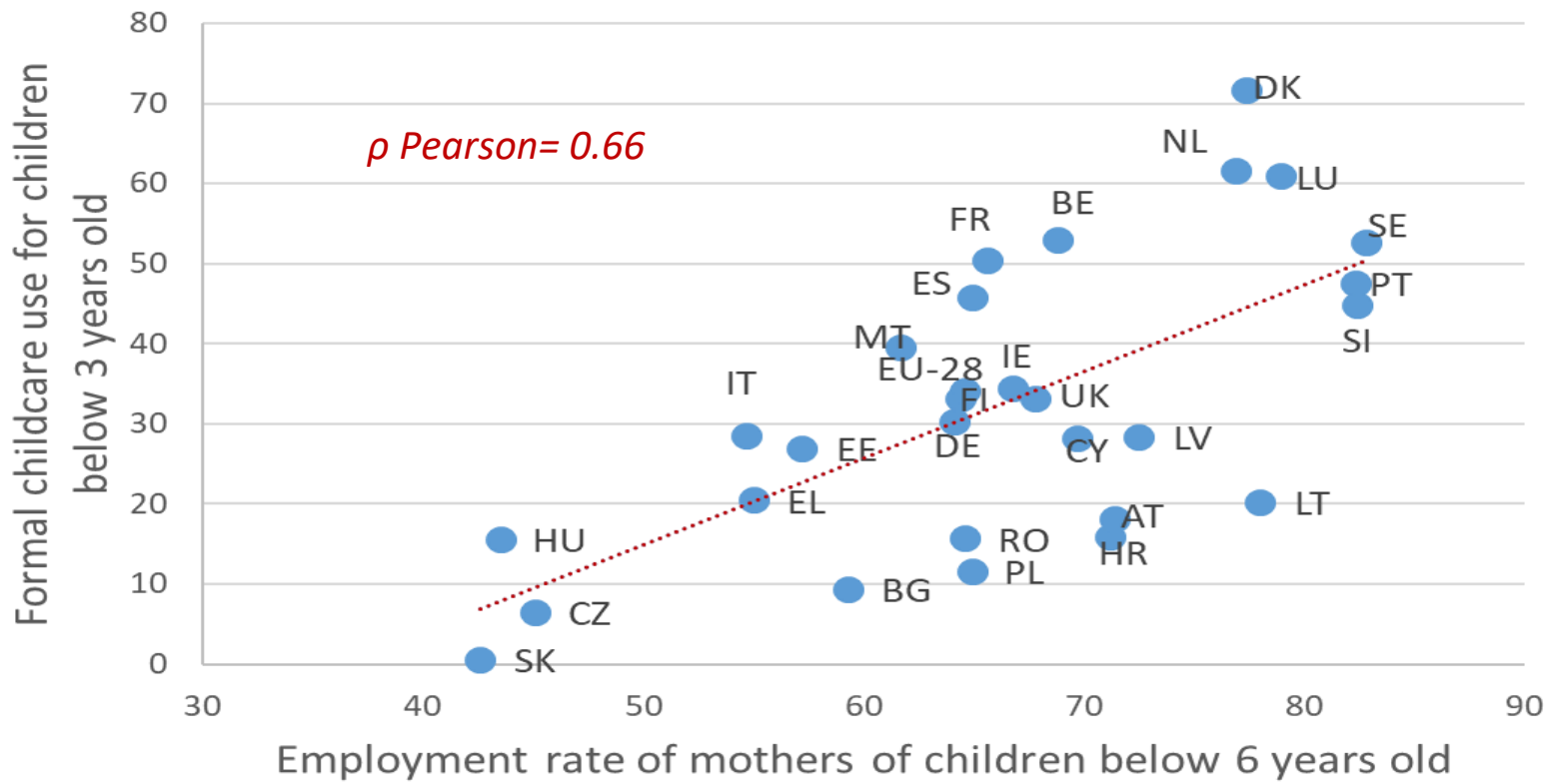
Participation in ALMPs per 100 persons wanting to work



Spending on labour market services and measures (2016) and share of LTU (2017) (% unemployment)



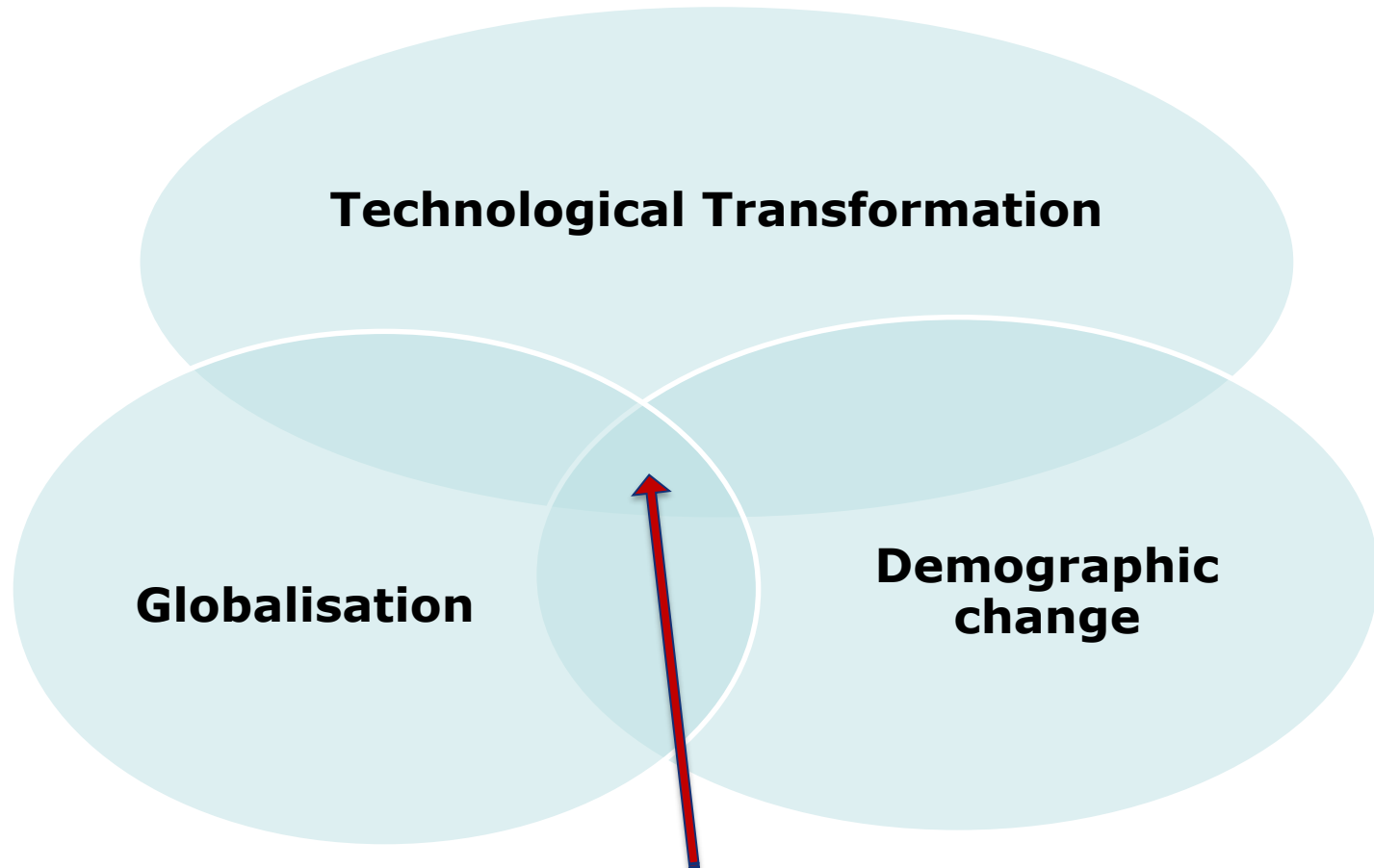
# Employment of mothers and use of formal childcare



Source: 2017 data, forthcoming ESDE 2019



# Increasing influence of megatrends



The changing world of work

# The European Pillar of Social Rights

## 20 principles and rights

### Equal opportunities and access to the labour market

- **Education, training and life-long learning**
- **Gender equality**
- **Equal opportunities**
- **Active support to employment**
- **Secure and adaptable employment**

### Fair working conditions

- **Wages**
- **Information about employment conditions and protection in case of dismissals**
- **Social dialogue and involvement of workers**
- **Work-life balance**
- **Healthy, safe and well-adapted work environment**

### Adequate and sustainable social protection

- **Childcare and support to children**
- **Social Protection**
- **Unemployment benefits**
- **Minimum income**
- **Old age income and pensions**
- **Health care**
- **Inclusion of people with disabilities**
- **Long-term care**
- **Housing and assistance for the homeless**
- **Access to essential services**

## Putting the Social Pillar into action:

**a joint effort for equal opportunities, fair working conditions, social security**

**Update EU  
legislation,  
step up  
enforcement**

**European  
Semester**

**Funding**

**Social  
dialogue &  
Civil Society**

# Recent legislative and non-legislative initiatives

Equal opportunities and access to the labour market

- **European Skills Agenda:** 10 key actions to promote up-skilling and life-long learning
- **European Accessibility Act**

Fair working conditions

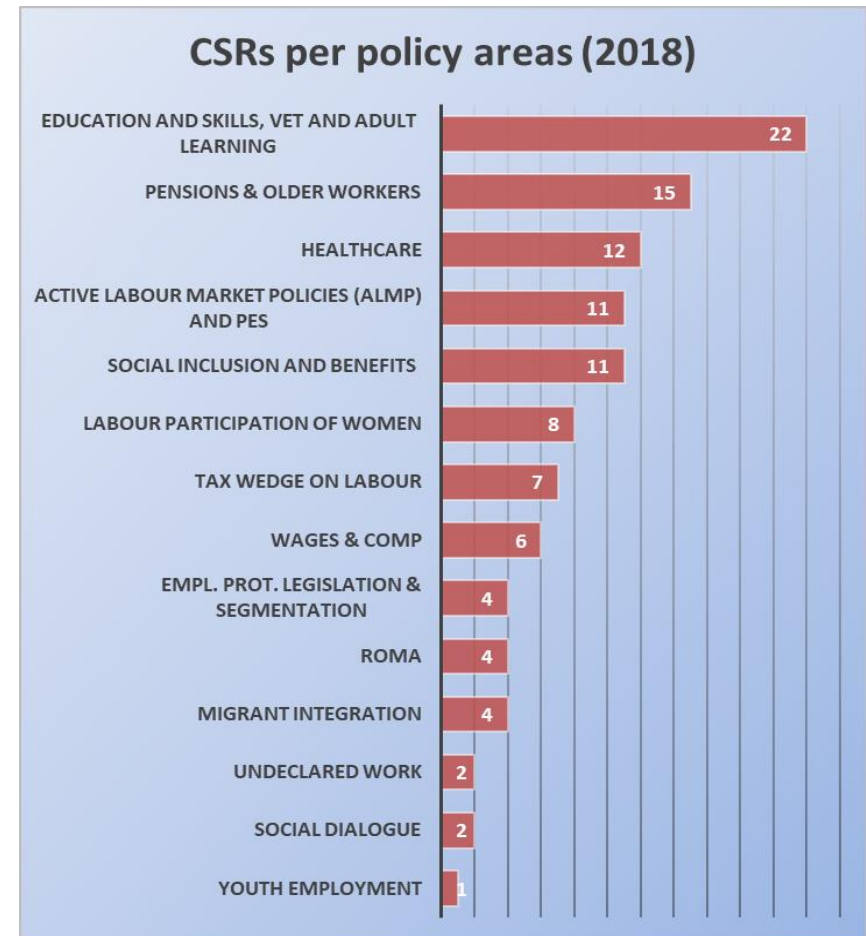
- Proposal for a Directive on **Work-life balance**
- Proposal for a Directive on **Transparent and Predictable Working Conditions**
- Legal guidance on **Working Time Directive**
- Revision of the **Posting of Workers Directive**
- Proposal for a **European Labour Authority**
- New start for **social dialogue** initiative

Social protection and inclusion

- Recommendation on **access to social protection**
- Proposal for a Regulation to modernise the **coordination of social security systems**

# The European Semester

- Key vehicle for multilateral surveillance and policy advice
- **2018 European Semester: first time Pillar mainstreamed** in
  - ✓ Annual Growth Survey, Joint Employment Report
  - ✓ Employment Guidelines
  - ✓ Country Reports and CSRs
- **Monitoring tools** include:
  - ✓ Social Scoreboard
  - ✓ Benchmarking
  - ✓ Country Report analysis



# Social Scoreboard

## Equal opportunities and access to the labour market

Early leavers from education and training (18-24 years)

Gender employment gap

Income inequality, measured as quintile share ratio (S80/S20)

At-risk-of-poverty or social exclusion rate (AROPE)

Young people neither in employment nor in education and training (15 -24 years)

## Dynamic labour markets and fair working conditions

Employment rate (20-64 years)

Unemployment rate (15-74 years)

Participation in activation labour market policies

Adjusted gross disposable income of households in real terms  
PPS per capita (Index 2008=100)

Compensation of employees per hour worked

## Public support / Social protection and inclusion

Impact of social transfers (excluding pensions) on poverty  
reduction

Children aged less than 3 years in formal childcare

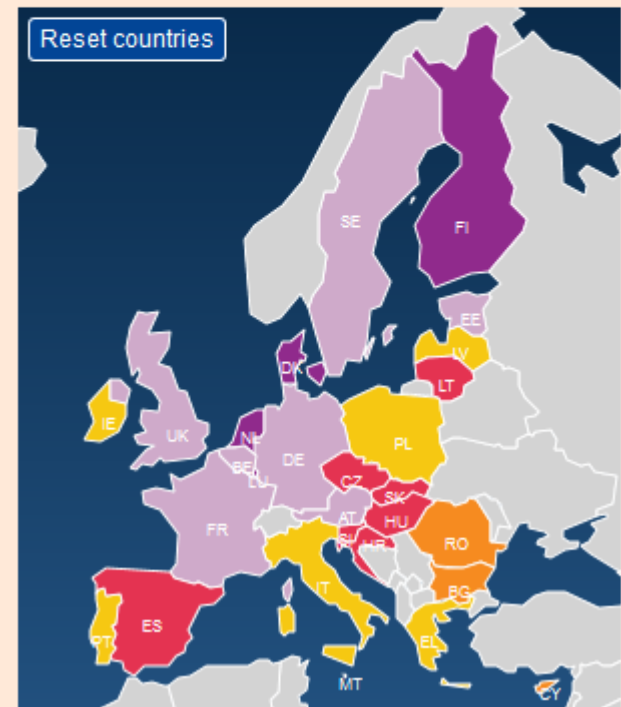
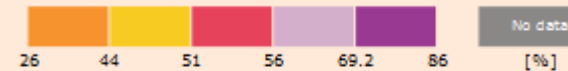
Self-reported unmet need for medical care

Individuals who have basic or above basic overall digital skills

## Digital skills (% of individuals with basic or above basic overall digital skills)

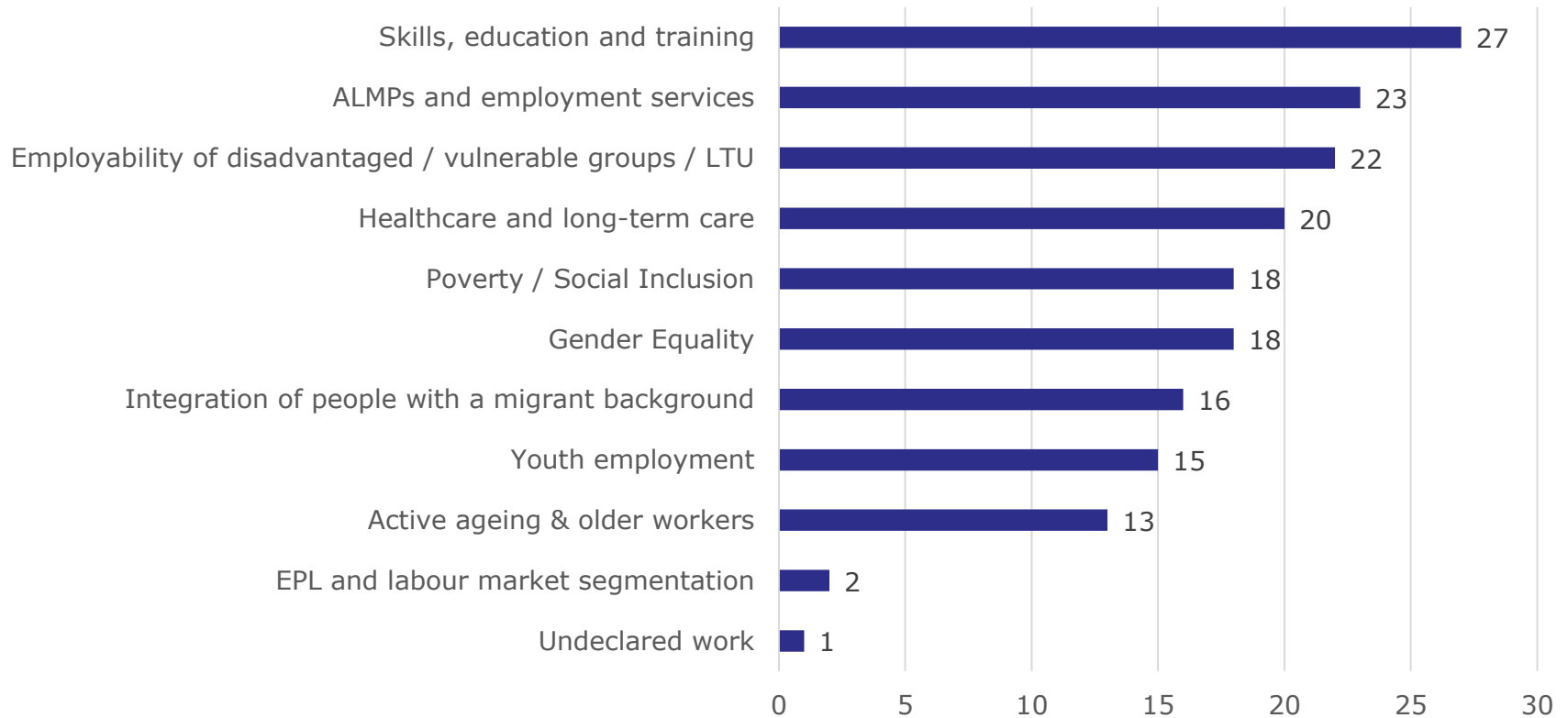
Dimension III > Area 12 > Indicator 1 >

2016 map



# Guidance for Cohesion funds in employment, education and social domains

(Annex D to Country Reports)



## Financial support – ESF+ 2021-27

- **European Social Fund Plus (ESF+)**
  - over EUR 100 billion for social investments for 2021 - 2027
- **Specific objectives to deliver on the European Pillar of Social Rights**
- **Thematic concentration requirements of ESF+**
  - 25% for social inclusion, 2% to address material deprivation
  - 10% investment on youth for MS above EU NEET rate average
  - Alignment CSRs-funding
- **Other financial support, e.g. InvestEU, planned budgetary tools**



***THANK YOU FOR YOUR ATTENTION!***