

Clarification regarding press reports on President Juncker comments on a European unemployment insurance

The European Commission would like to respond to various media reports claiming that President Juncker is “asking for” a European unemployment insurance. This is a distortion of the message conveyed by President Juncker and based on cutting short the full answer he gave to this question in an interview with “Welt am Sonntag” – which is available in full length in [English](#). President Juncker is not asking for a new financial instrument. In fact, the European Commission in its proposal for the multiannual financial framework has already proposed a shock-absorption mechanism to cope with asymmetrical, external shocks – this can also include a re-insurance for national unemployment insurance schemes.

Full verbatim of the question and answer:

WELT AM SONNTAG: In southern Europe in particular, however, many people are demanding that the EU become more social. Would a European unemployment insurance scheme, for example, be a good idea

Juncker: Even though I am very much in favour of a European unemployment insurance, this must not be a ‘carte blanche’ for countries that do not carry out reforms and find themselves in difficulties as a result. In our proposal for the medium-term financial planning, the Commission put forward two instruments: 25 billion euro for a reform support programme and 30 billion euro for a stabilisation function, a shock-absorption mechanism to cope with asymmetrical, external shocks – this can also include a re-insurance for national unemployment insurance schemes. This instrument could help to mitigate sudden economic crises in a particular country caused by external developments, and thus provide re-insurance at European level for national insurance systems. It is not right that a particular EU country has to reduce unemployment benefits because of rising jobless numbers in a crisis that is not of its making. It is important not to respond to crises with the wrong type of spending cuts, lowering investments, education spending and unemployment benefits.