

Speakings by Commissioner Thyssen on the 2018 Country-Specific Recommendations under the European Semester

Ladies and gentlemen,

With the economy growing at its fastest pace in a decade, we now have an opportunity to look ahead. And focus on building a basis for sustainable, inclusive and long-term growth. Since November last year, the European Pillar of Social Rights is guiding us on this path.

Our recommendations address the 3 dimensions of the Pillar:

- Equal opportunities in education and training and access to the labour market
- Fair working conditions
- Social protection and inclusion for all

Allow me to highlight some of the main issues we have identified in this year's exercise:

o The **rapid** pace of **technological progress** calls now more than ever for reforms to **up-skill and re-skill** European workers. Young people are entering an increasingly dynamic and flexible labour market while older people have to work longer. This means we need to invest in people throughout their careers so that everyone can choose their own desired career path.

o We also need to address **the quality of education and training**. Skills mismatches are still too high across Europe. And too many people face unequal access to quality education due to their socio-economic status or migrant background. Also other vulnerable groups face too many obstacles. Improving the access and **quality of education and training** is essential for integrating people and reducing inequalities. This concerns a majority of Member States and in particular Bulgaria, Hungary, Slovakia and Romania concerning the integration of disadvantaged groups. Austria, Belgium and France for example could benefit from improving the employment prospects of people with a migrant background.

o The **opportunity** to participate in the economy and society should also be given **equally to men and women**. Starting a family should not be a burden on your professional life. Care services and family benefits are therefore essential for **combining family life with career aspirations**, in particular also for women, helping in turn to get more women into work, especially in Italy, Poland and Slovakia. Now is the time to fix the roof, but we must also

break the glass ceiling. And that starts by giving equal opportunities to men and women.

o The social situation is improving in most Member States: In total, there are 5.6 million people less at risk of poverty or social exclusion than in 2012. Yet, high **income inequality** and **in-work poverty** persists. In particular the **low impact of social transfers** on reducing poverty requires more attention in a number of Member States. It is not just a question of spending. Efforts should be focused on results, that is, the **inclusiveness and effectiveness of social protection**. This concerns especially the Baltic countries, Croatia but also Spain.

o Our rapidly ageing population in Europe also impacts public finances. There is a need to reform our pension, healthcare and long-term care systems. This is not only key to sustain public finances but also to making sure that people have adequate pensions and access to quality services. Member States have taken steps in this direction but more efforts are still needed to tackle this challenge.

o All of this will not be possible unless we improve **ownership** of the reforms. **Engagement** in society with all stakeholders is key to make reforms work. This includes working together with social partners and civil society. Effective **social dialogue** which ensures that the voice of those affected is heard, is the best recipe. How this is done is up to Member States but we continue to support the greater involvement of national social partners in policy-making, especially in Hungary and Romania, who both received a CSR on this.

To conclude, our recommendations adopted today are essential to build a more prosperous future with equal opportunities for all.

Higher skills and better welfare will make the current growth sustainable and inclusive. This is what we want to achieve and why we call on Member States also to translate these social recommendations into action.

Let me close by saying that also the EU budget has a vital role to play in delivering on our objective to “invest in people”.

This will be at the core of our proposal next week on the post 2020 vision for the European Social Fund.

As a matter of fact, our funds will be more closely aligned with the European Semester.

I can tell you already now that the detailed analysis of Member States' challenges in the context of the European Semester will serve as a basis for the programming of the funds of the next period.

Thank you.