**Speech by Christa Schweng,**

**President of the European Economic and Social Committee**

**ESDE conference - Employment and Social developments in Europe**

**12 October 2021**

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Dear Commissioner,

Distinguished speakers and participants,

It is an honour and a pleasure for me to participate in this welcome and opening session and to represent the European Economic and Social Committee. Working on Employment and Social developments in Europe, specifically on a strong Social Europe in the aftermath of the COVID-19 crisis – and supporting the Commission and other institutions to achieve that - is a core aspect of our work at the EESC.

I would like to congratulate Commissioner Schmit and DG Employment services for this year's flagship report. Your economic analysis of employment and social trends is very important for putting in place evidence-based policies for a stronger and more resilient post-COVID Europe.

The EESC wishes to contribute to building a Europe that is at the same time prosperous and inclusive and which makes the best out of the transitions and is sustainable from the environmental point of view.

So I fully support what the Commissioner said: the pandemic has affected people and regions in different ways, and that we must keep this in mind as we shape a recovery that is inclusive and sustainable.

We know that the pandemic has aggravated inequalities and brought to the fore pre-existing challenges. We are preoccupied by several categories: I could talk about people with disabilities, migrants, but I would like to mention in particular our young people, our future, who are again stronger impacted.

The youngsters who were in education or training have seen their schooling interrupted and now they need to catch up. Regarding the ones who were in employment, many of them lost their jobs and the young graduates could not necessarily find their first work place. The European youth had an unemployment rate of 15,4 % at the beginning of 2020; after the Covid struck, this figure went to 18,5 % one year later (Q1 2021). And behind this figure, there are more than 3 million youngsters who would like to work, but cannot find a job.

So we need to use all existing tools to help them. I am happy about the quick initiatives to support the recovery and the longer term preparedness. The Committee has supported the recommendation on Bridge to Jobs, for a reinforced Youth Guarantee. We have done specific recommendations, and one of them is to build genuine alliances among ministries, public employment services, social partners, youth organisations and other relevant stakeholders in order to find the best solution for young people and to reach out to those in need. We are also now working, at our initiative, on an opinion on "How to guarantee decent work for young people and ensure the inclusion of NEETs through the National Recovery Plans", to be adopted in December of this year.

I would also like to touch upon the situation of women, and the fact that the existent gender inequality in the workplace and at home was exacerbated by the pandemic.

As the ESDE review indicated, women have been experiencing a significant decrease in working hours and have been taking most of the caring responsibilities at home during the lock downs.

At the EESC we have also repeatedly focused on the position of women in the labour market. In particular, at the request of the Portuguese Presidency, we have looked into the issue of "Teleworking and gender equality". There are pros and cons for women teleworking. In any case, one of the conclusions is that when we discuss teleworking, we should not be gender "neutral", otherwise policies could negatively impact women. We need to make the best use of teleworking to promote gender equality, and social partners can play a significant role here. The best results can be achieved with tailored measures at enterprise and workplace level.

In general, real social and civil dialogue are key if we want to make work environments more inclusive. That is both fair and beneficial for companies' productivity and competitiveness.

Fortunately, the European economy is rebounding much faster than expected. The Summer Economic Forecast of the European Commission projected the EU economy and the euro area economy to both grow by 4.83%% in 2021 and 4.5% 2022. Let's hope that this positive news will be soon confirmed by the Autumn forecast.

But this new growth needs to be accompanied by a social recovery and the creation of new, sustainable jobs.

United, we can do it. EU policy-makers, Member States, social partners and organised civil society have a central role and responsibility to improve the employment and social situation, combining people's well-being, life-quality and ensuring productivity competitiveness of EU companies.

Europe has already shown a great level of mobilisation and solidarity, by providing solid financial means to ensure our recovery and adopting quick policies and recommendations, like EASE.

We have many tools at our disposal, and we should use them well, to enhance active labour market policies, promoting lifelong learning, upskilling and reskilling opportunities and entrepreneurial support, including for the social economy.

In this regard, the Porto Social Summit created a new momentum and the European Pillar of Social Rights serves as a compass for upward social convergence. The EESC has adopted an opinion on the EPSR Action Plan. It considers that sustainable economic growth needs to be coupled with social progress. Accordingly, the Action Plan should promote sustainable and competitive economies, based on quality jobs and equal opportunities for all.

A core element for achieving quality jobs and equal opportunities for all should be matching education and training with the needs of the labour market.

The effects of skills mismatches on potential economic growth are a major concern for European entrepreneurs. Indeed, a 2018 EESC study shows that the European Union loses an annual 2% in productivity due to skills mismatches. Unfortunately, the problem does not seem to be decreasing. Coupled with the demographic trends, decisive action against skills mismatches is needed, particularly as Europe cannot afford to waste human capital.

This is certainly one of the key challenges we are facing today: promoting lifelong learning for everyone. There is work to be done, when we see that 20 Member States missed the EU-wide adult learning target of 15% by 2020.

In a recent opinion, the EESC called for sustainable funding for lifelong learning and development of skills, especially for the most vulnerable groups in society.

People's upskilling and reskilling are a top priority if we want to take the opportunity of the green transition and if we want to see people thrive in the digital era.

A recent Commission report noted that "The use of ICT has increased significantly in the last five years in more than 90% of workplaces." However, "38% of workplaces report that the lack of digital skills has an impact on their performance".

Both enterprises and workers, via the social partners, as well as organized civil society in general, should be constantly involved in shaping the transition. Businesses should be able to remain competitive while respecting environmental targets, workers should be equipped with the necessary set of skills for continuing to be operational in an evolved labour market, and people who will suffer from the transition and lose their jobs will need to be supported and not left behind.

At the EESC, we appreciate the approach taken by the Commission, and which is also reflected in this ESDE review: to do a clear assessment of what worked and what didn't, and to learn the lessons, to be more resilient and prepared in future.

To conclude, I wish to express EESC's full commitment to continue supporting EU institutions in shaping new, inclusive policies for a labour market that has been tremendously challenged by the pandemic. Let's see the opportunities behind the challenges: the opportunities to build an economically prosperous Europe, a socially inclusive Europe, and an environmentally sustainable Europe. Let us be united for the future of Europe!

Thank you for your attention!