

Dear Chair, Dear Moderator, Ladies and Gentlemen,

I would like to thank the Bureau of this Commission for the invitation to participate in this panel. And I also thank the UN secretariat for their interesting background Note.

Let me start by saying that the European Union has developed the concept of Europe2020 striving for economic growth but of a specific nature: smart, sustainable and inclusive growth. I think these three features (inclusive, sustainable and smart) very well correspond to the sustainable development objective with its three pillars (economic, social and environmental), The Europe 2020 triangle proved to be fruitful, and this confirms perhaps also the workability of the sustainable development paradigm. But I have to say that it was put to the test by the massive financial and the sovereign debt crises. But the triangle clearly helped as orientation but we were not always able to apply it in full in finding answers to an urgent crisis situation. So prudence is always advisable - great concepts are as relevant as they can be sustained in complex situations.

2014 was a year of transition in terms of European politics; now Europe has a new European Parliament, a new Council President, and of course a new European Commission which is the EU`s executive body headed by President Jean-Claude Jüncker. The new European leadership has the clear objective of becoming much more concrete, practical and operational in order to achieve the triple objectives of Europe2020, including the social sphere.

The new President of the Commission groups his political priorities around 10 points as restart for Europe: he starts with jobs, growth, fairness and democratic change and he links these objectives with sustainable development, a principle which should underpin all Commission proposals to the Council and the European Parliament.

There is a firm political commitment for sustainable development and both the EU Council and the EU Commission have made this commitment very clear in

recent policy documents Ambassador Miculescu and the moderator have already referred to.

On this President Juncker said: "*The post-2015 agenda is ... about allowing people to live a decent life whilst respecting our planet.*"

I think there is a lot in this short quote of what the sustainable development challenge is really about. On the European level, we are facing similar challenges as elsewhere in the world, even if on different scales.

In the EU, 24 million people are unemployed, 9 million more compared with 2008. We just heard poverty is a central policy challenge in Mexico. The definition of poverty we use in the EU is different from the definition used in Mexico and elsewhere, depending on regional circumstances. But the point is that poverty is an issue also in the EU. There are more than 120 million at risk of poverty or social exclusion. Here the EU uses a broader concept of poverty, an important one as there are people who might be not poor in monetary terms but nevertheless, cannot integrate in society.

And a figure which is perhaps less obvious: 12 million people have been unemployed for more than one year. We call this long-term unemployment, representing 5% of our labour force, which equals the total unemployment rate of Germany, for example, one of the best performing Member States. Nevertheless, even in Germany long-term unemployment is an issue, even if on a smaller scale.

And youth unemployment ? In almost 2/3 of the EU Member States, youth unemployment rates in July 2014 were still close to their historic highs (EU average 21.7% compared to 15% in 2008) while the proportion of the young neither in employment, nor in training or in education (NEETs) reached 13% in 2011 against 11% in 2008.

And maybe the single biggest challenge is now what has traditionally been Europe`s strength, namely to reach convergence between the different parts of Europe, and to some extent between its different populations, such convergence is now broken down. The differences of unemployment rates

between the South and the North are now the highest measured in EU history. And while recent trends show that the divergence has started to diminish, if continued with the speed that our present economic forecast suggests, it will take a very long time. Therefore, clearly one cannot wait until the economic process by itself would close this gap.

There is also good news: unlike in past recessions, activity rates have continued to increase thanks to women and older workers. And this is also a result of policy efforts; where efforts were made and sustained one could actually make progress even against very difficult conditions. And given the importance of gender equality in the European economic context, but also in the global economy, this is a considerable achievement. Similarly, given the ageing prospect Europe is facing, the increase in elderly people`s activity rate and employment rate is a confirmation that yes, we can achieve progress even in very challenging circumstances.

I would now like to pick up an interesting observation in the UN background paper, that among the social, economic and environmental pillars of sustainable development, the social might be the weakest.

Without judging this observation, I think there are two routes to take in order to strengthen the social pillar – not at the expense of the other two pillars but rather in synergy with them – and these are: one is the promotion of **decent jobs** and the second is the development of **social protection**.

There was a fascinating discussion on these topics yesterday, in which the former ILO DG Somavia explained the relevance of the decent work agenda and the importance of social protection floors.

I would simply like to say that investing in decent work is not only to address poverty, but it is also important for self-definition, motivation and engagement of our people. We believe that decent work is a fundamental value and people feel that this is something which integrates them in society. And the types of jobs we would like to see are the jobs that enhance productivity and workers` engagement, and which contribute to economic growth and sustainability.

The best example for me is the process of moving from informal to formal/undeclared work to formal, declared employment. I know that this is not happening fortnight; this was also a very long process in Europe and it is still ongoing. But helping businesses, workers, governments and economic partners to move jobs from informality with poor economic and social prospects to a better structured format can allow harnessing all the benefits of decent work. I think this issue would deserve more attention in the work towards the post-2015 development agenda.

Let me say a word on social protection. Social protection was key to build up resilience over the crisis period in Europe. Social protection helped greatly many if not all the Member States of the EU and we saw that countries with a well-functioning social protection system were more resilient to the adverse impact of the crisis.

I think the concept of social protection floors is a very useful one, exactly because it reflects on the differences between national systems, but also it gives an orientation for which direction to go. But of course one has to reflect not only on how social protection can contribute to sustainable social development, but also on what obstacles social protection systems can pose if not designed and operated adequately. Such can be the case if social protection fails to encourage participation, employment or investment in people`s capacities. That said, social protection should not be about cash benefits only, but also about enabling services helping people to integrate themselves on the labour market.

Now I would like to make a brief comment on what the Moderator said about synergies and conflict when it comes to the three pillars of sustainable development. On the one hand, I think we are right saying that *per se* there is no conflict among the three pillars of sustainable development. On the other hand, we know that there can be a conflict all the time. Coping with unsustainable production and replacing "brown" with clean jobs is not an easy thing to do, but it is absolutely necessary. So, we better say that even if tensions can be unavoidable, there should always be a way to manage them.

And in my mind there are two things necessary for managing any such conflict or tension and these are anticipation and partnership.

The earlier governments, stakeholders, business and workers understand the challenges they are facing, the easier it will be to address them through forward looking efforts to restructure, to change the direction of investment including in the people. And the broader the base of those involved in this effort the less destructive behaviour here will be, the stronger the partnership principle prevails the more constructive innovative solutions will be found.

This leads me, finally, to my last point (strongly emphasised in the UN paper and by many speakers): Capacity development, statistics, consultation, monitoring and evaluation are necessary to be able to develop and implement a sustainable development agenda. And this is perhaps another area where long standing EU experiences can be of interest for discussion and work on global level.