

Improving the job situation in Europe

Resolution of the Economic and Social Commission (Paris - 7 June 2000)
adopted by the Berlin Central Council (16 June 2000)

ELEC notes, in the present favourable economic climate, that unemployment rates are starting to fall in Europe although they are still at serious levels. In some sectors and regions, nevertheless, manpower shortages have appeared making it impossible for economic actors to recruit the work force they need, particularly in the lack of skilled workers. ELEC also notes there is still considerable residual unemployment, especially in areas of traditional industry, and this entails the risk of social unrest.

In the respect of principles of subsidiarity where governments and government policies have an impact on national employment levels, ELEC asks the EU and its Member States to examine the following recommendations in order to improve the jobs situation in Europe.

Present evolution shows that progress towards full employment is a result more of recovered economic growth, motivated by confidence and an increase in consumption, than it is of employment policies. Steps apt to encourage this growth include measures to maintain the competitiveness of business firms, reductions in tax and social security charges especially those with a direct impact on salaries -, support for innovation, creating new economic activities, and developing small and medium enterprises with less burdensome administrative frameworks.

ELEC recommends:

- ◇ **improved flexibility in employment contracts and their duration**, especially through greater modulation of work schedules, introducing policies to avoid the dangers both of economic vulnerability and excessive rigidity in staffing, and developing part-time employment; all measures that will enable enterprises to be better placed to react to the economic context.
- ◇ **encouraging greater mobility among the work force** in Europe, for example through housing policies - especially in taxation and regulations - that make it easier to purchase or sell property, and through social security measures aiming to guarantee coverage for workers who move to other areas within the EU.
- ◇ **training for youth must be better suited** to new forms of employment and based on knowledge that fosters adaptation to the economic context. Excessive specialisation risks hampering the professional mutation, which is now essential throughout a worker's active years.
- ◇ **professional training policies** are key facets in helping workers presently excluded return to the job market. Another important feature is schemes to **fight the "poverty trap"** - the disincentive when income obtained from wages is disadvantageous compared to that obtained through solidarity mechanisms.

Lastly, it appears that the present lack of balance may spark new calls to step up immigration, especially in areas of manpower shortages and urgent needs. These sectors primarily include high technology, as well as services and certain manpower industries (such as construction or public works). ELEC however underlines that it is indispensable for Member States to concern themselves with **controlling flows of migration**,

necessary in certain cases, and to reach a common policy in this area. The decisions taken by each individual country must not accumulate negative effects, such as too heavy recruiting of technical and scientific elites from developing countries or a hasty call for unskilled workers to meet immediate needs in lower technology sectors, which instead must be encouraged to improve their productivity.
