Recommendation 25 (1950)[1]

Full Employment

Parliamentary Assembly

The Consultative Assembly of the Council of Europe records its solemn conviction that unemployment is the gravest of all economic diseases which can afflict modern States, that unemployment, particularly when heavy and prolonged, saps the physical and mental powers of its victims, creates in them a sense of hopelessness and worthlessness, weakening their confidence in political democracy and in the moral aims of society and seriously impairs the productive effort and the political stability of the community by depriving those who are without work, against their will, of the right to make their contribution to the total of national wealth.

It further holds that the Right to work is one of the most fundamental of Human Rights and should be clearly recognised in the political and economic arrangements of all civilised States, and that it is the duty of all governments associated with the Council of Europe to take all necessary measures to ensure full employment.

It declares that full employment is a necessary prerequisite of the maintenance and smooth working of a healthy international economic system.

It notes with keen approval that both the International Labour Organisation and the Economic and Social Council of the United Nations have recently given their support to this aim of full employment, and takes note of the most valuable Report, by a group of experts appointed by the Secretary-General of the United Nations, on National and International Measures for Full Employment, with the conclusions of which the Consultative Assembly expresses its most emphatic general agreement.

It, therefore, strongly recommends that each government associated with the Council of Europe should announce, not later than November 1st, 1950, to the Consultative Assembly a full employment "target" in the form of a range of unemployment or employment percentages or, alternatively, a minimum level of employment or maximum of unemployment, which it will endeavour by all means in its power to maintain.

It requests the Secretary-General, in consultation with the International Labour Organisation and the Economic and Social Council of the United Nations, to study these targets or limits so as to elucidate the comparative degree of achievement aimed at by each government, and to urge each government to adopt and announce a definite full employment "target" or limit of the type described above.

It proposes that each government shall submit not later than November 1st, 1950, to the Council of Europe a report on its general domestic policies for achieving full employment and economic stability, with particular reference to

a. the use which it expects to make of the various techniques suggested in the Experts' Report, such as flexible fiscal policies, adjustable public investment programmes and measures to maintain incomes and levels of consumption, (see paragraphs 153 to 164 of the Report),

b. the Experts' proposal for the adoption of automatic compensatory measures, or, if these are not to be adopted, the alternative means at its disposal for diagnosing the employment situation and for taking rapid action to counteract an unfavourable trend,

c. the means by which it hopes to ensure the stability of the price level and to avoid both inflation as well as deflation,

1. See Doc. AS (2) 94 and Sitting of 25th August 1950.

d. the measures which it proposes to introduce in order to deal with the problem of structural unemployment,

e. the adequacy of its legislative procedures, administrative organisation and statistical services to implement these policies.

The Consultative Assembly, moreover, desires particularly to watch developments in the employment situation in Member States and consequently instructs the Secretary-General to keep the Committee on Economic Questions regularly informed of the progress made by Member States in implementing the employment programmes reported to the Council of Europe. Furthermore, it requests the Committee to call, in between sessions of the Assembly, the attention of governments to the problems that may arise in the process of co-ordinating these programmes.

The Consultative Assembly recommends that each government should make it a principal aim of its policy to assist others in reducing undesirable fluctuations in international trade and payments ; and, with this aim in view, should prepare estimates of its balance of payments during the next five years on both current and capital account, taking due note of the need to increase the gold and dollar reserves of a number of countries so that these reserves may be sufficient to enable the countries concerned to meet, without danger, such fluctuations as may reasonably be expected in their receipts of foreign exchange.

It declares that international co-operation is essential to prevent the spread of depression and unemployment from one country to others, and to maintain a steady flow of capital between various countries, particularly in order to stimulate the full use of undeveloped resources.

It is of particular importance that such capital movements should be undertaken with the object of furthering the industrialisation of less developed countries and territories thereby permitting their populations to increase their standard of living. The Consultative Assembly wishes in this connection to express its great satisfaction with the "point IV" programme brought forward by the President of the United

States and with the programme of technical assistance to underdeveloped countries sponsored by the United Nations. The Consultative Assembly would also like to emphasise that concerted action at the international level - in the form of organised migration and capital movements to stimulate the full use of undeveloped resources as well as other appropriate economic and political measures - might be needed to find a solution, compatible with the European economic system, to the problem of structural unemployment.

It proposes that each government should undertake, in the event of a decline in effective demand within its borders, to do its utmost, so far as the state of its monetary reserves permits, to prevent a consequential decline in the supply of its currency to the rest of the world, this to be achieved either by maintaining imports or by the provision of additional credit for its neighbours, either through public ot private channels. It urges those governments whose monetary reserves and financial resources permit, consistently with the avoidance of inflation, to maintain a high and regular flow of capital export for purposes of development.

The Consultative Assembly considers it is one of its prime functions to focus the attention of Europe on the fundamental economic, political and moral importance of full employment. It is of the opinion that it is in keeping with the role of the Council of Europe to further the achievement of this objective in all Member States, thus guaranteeing for all workers of Europe an assured livelihood, a rising standard of comfort and a just share in the ever-increasing production to which each citizen is entitled and must be enabled to contribute.