



Resolution 1717 (2010)¹

Final version

The social impact of the economic crisis

Parliamentary Assembly

1. The current economic and financial crisis calls into question a number of assumptions which have underpinned the member states' economic policies over the last decades, such as deregulation, the primacy of economic criteria in all areas of life and overemphasis on profit and growth. The current crisis is to a large extent a crisis of trust with regard to the financial and political institutions and the global economic system, which provoked it.
2. In this context, the Parliamentary Assembly recalls its [Resolution 1651 \(2009\)](#) on the consequences of the global financial crisis and its [Resolution 1673 \(2009\)](#) on the challenges of the financial crisis to the world economic institutions.
3. The economic crisis has to be seen in connection with other major challenges that we are facing: climate change, the crisis of energy and of water supply and the shortage of food, which have a significant impact in many regions of the world. The challenges of demographic change, the difficulties with regard to access to health care and the weakening of social security systems in many countries also urge us towards more sustainable policies. A coherent answer to this range of political challenges is required.
4. The Assembly understands this crisis as a call for change. Returning to "business as usual" will not solve it. To meet the challenges of the crisis it will be necessary to effect significant changes in the economic and social policies of the member states of the Council of Europe.
5. Change should mean to carry over the Council of Europe's values more resolutely into economic and social policies. It should also mean significantly reducing the current level of unemployment in Council of Europe member states. The Assembly is concerned about the increasing segmentation of the labour market, with more and more precarious employment situations and the growing marginalisation of specific groups such as the long-term unemployed, low-skill workers, people with disabilities, or people with immigrant backgrounds.
6. The current situation fundamentally challenges the functioning of the social systems. For the Assembly, work is not a purely productive activity, but also a central element of human personality and of participation in society. In the current crisis, learning systems must be accessible and affordable for all members of a society, irrespective of the contractual form of employment. Some member states have innovative arrangements providing for seamless transitions between jobs and which provide promising experience to avoid the loss of work and income.
7. Change should also ensure a dignified life for all people in Europe, particularly through the sustainable provision of quality social and health services which are essential for people to be able to take up opportunities.
8. Experience and research have shown that member states with an elaborate social and health protection system are also economically in a significantly better position to meet the challenges of the current crisis. Countries that have strong and efficiently-run social and health protection systems have a valuable

1. *Assembly debate* on 27 April 2010 (13th Sitting) (see [Doc. 12026](#), report of the Social, Health and Family Affairs Committee, rapporteur: Ms de Belém Roseira). *Text adopted by the Assembly* on 27 April 2010 (13th Sitting).



in-built mechanism to stabilise their economies and address the social impact of the crisis. These countries may need to reinforce existing social protection systems. For other countries, the priority is to meet urgent needs, while laying the foundation for stronger and more effective systems.

9. Solidarity and adequate social security are the keys to overcoming the current crisis. They are also essential to ensure a fairer – and thus sustainable – future global economic system.

10. In this context, the Assembly refers to and fully endorses the Decent Work Agenda and commitments made by the International Labour Organization (ILO) and its constituents in their 2008 Declaration on Social Justice for a Fair Globalisation, as well as the Global Jobs Pact adopted at the 2009 June session of the International Labour Conference in Geneva. These policies should be based on the following principles and ensure linkages between social progress and economic development:

10.1. devoting priority attention to protecting employment through sustainable businesses, quality public services and providing adequate social protection for all as part of ongoing national and international action to aid recovery and development;

10.2. boosting effective demand and helping maintain wage levels, including via macroeconomic stimulus packages;

10.3. enhancing support to vulnerable women and men hit hard by the crisis, including youth at risk, low-wage, low-skilled, and migrant workers in the informal economy;

10.4. focusing on measures to maintain employment and facilitate transitions from one job to another and to support access to the labour market for the unemployed;

10.5. establishing or strengthening effective public employment services and other labour market institutions;

10.6. increasing equal access and opportunities for skills development, quality training and education;

10.7. avoiding protectionist solutions and the damaging consequences of deflationary wage spirals and worsening working conditions;

10.8. promoting core labour standards and other international labour standards that support economic and employment recovery and reduce gender inequality;

10.9. engaging in social dialogue, such as tripartism and collective bargaining between employers and workers as a constructive process to maximise the impact of crisis responses to the needs of the real economy;

10.10. ensuring that short-term actions are coherent with economic, social and environmental sustainability;

10.11. ensuring synergies between the state and the market and effective and efficient regulation of market economies, including a legal and regulatory environment which enables enterprise creation, sustainable enterprises and promotes employment generation across sectors;

10.12. recognising the contribution of small and medium-sized enterprises and micro-enterprises to job creation, and promoting measures, including access to affordable credit, that would ensure a favourable environment for their development;

10.13. increasing investment in infrastructure, research and development, public services and “green” production and services as important tools for creating jobs and stimulating sustained economic activity.

11. The Assembly considers that sustainable social and health protection systems to assist the vulnerable can prevent increased poverty and address social hardship, while also helping to stabilise the economy and maintain and promote employment. To this end, it encourages the member states of the Council of Europe to give consideration, as appropriate, to the following:

11.1. introducing cash transfer schemes for the poor to meet their immediate needs and to alleviate poverty;

11.2. building adequate social protection for all, drawing on basic social protection measures including: access to health care, income security for the elderly and persons with disabilities, child benefits and income security, combined with public employment guarantee schemes for the unemployed and working poor;

11.3. extending the duration and coverage of unemployment benefits, which should go hand in hand with relevant measures to create adequate work incentives recognising the current realities of national labour markets;

11.4. ensuring that the long-term unemployed stay connected to the labour market through, for example, skills development for employability;

11.5. providing minimum benefit guarantees in countries where pension or health funds may no longer be sufficiently funded to ensure that workers are adequately protected, and considering how to better protect workers' savings in future scheme design;

11.6. providing adequate coverage for temporary and casual workers.

12. The above agenda closely interacts with other dimensions of globalisation and requires policy coherence and international co-ordination. The Assembly considers that international co-operation is particularly important on the following issues:

12.1. building a stronger, more globally consistent, supervisory and regulatory framework for the financial sector, so that it serves the real economy, promotes sustainable enterprises and decent work and better protects savings and pensions;

12.2. promoting efficient and well-regulated trade and markets that benefit all, and avoiding national protectionism. Varying development levels of countries must be taken into account in lifting barriers to domestic and foreign markets;

12.3. shifting to a low-carbon, environment-friendly economy that helps accelerate employment recovery, reduce social gaps and support development goals in the process.

13. The Assembly notes that in almost all areas of reform, the revised European Social Charter (ETS No. 163) contains norms which are recognised by most member states, yet both the public and political decision makers are insufficiently aware of its content. The rights it enshrines must be publicised more widely, and feed into the process of creating a social Europe. The Assembly accordingly calls on member states to ensure that the European Social Charter's relevant key elements are incorporated in national reforms, so that they can become a reference for European social policy.

14. Finally, the Assembly underlines the importance of strengthening dialogue between the various international organisations, in particular with the ILO and the World Health Organization (WHO). It encourages greater involvement of the social partners, which would enable the Council of Europe to raise its political profile and play a specific role in the area of social rights.