Parliamentary Assembly
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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Recommendation 1051 (1987)[1]

Labour market flexibility in a changing economy

Parliamentary Assembly

The Assembly,

1. Having regard to the reports of its Social and Health Affairs Committee (Doc. 5672) and its Committee on Economic Affairs and Development (Doc. 5673) ;

2. Considering that flexibility in the labour market can contribute towards facilitating economic adjustment, reduce unemployment and improve the quality of life ;

3. Realising, however, that measures to achieve greater flexibility in the labour market should be complementary to a strategy aimed at achieving higher levels of non-inflationary economic growth ;

4. Emphasising that such policies require consensus between the two sides of industry ;

5. Considering that flexibility and the reorganisation of working time meet industry's desire for a more efficient response to the laws of the market and a new attempt by individuals to find adaptable patterns of work ;

6. Emphasising that reducing working time can be part of a general policy of increasing free time, obliging us to examine present social and cultural values, and enabling the individual to fulfil his aspirations ;

7. Believing that today, faced with the problems of defining effective full employment policies, it is necessary as never before to reflect on the very concept of work, and also on the relations between work and leisure, work and family and work and health - which must be considered as complementary - as well as the role of firms in today's society as important units of human organisation ;

8. Drawing attention to the need, both at European level and in each individual country, for collaboration between the institutions and management and labour with a view to promoting long-range labour-market management by setting up appropriate instruments ;

9. Aware that, in some cases, less rigidity in the organisation of work could have a positive effect upon employment ;

10. Considering the need to enable workers to take a greater share in information on technological innovations, with a view to instituting negotiations on a European scale and reaching agreements in the field of firms and industrial sectors ;

11. Emphasising, furthermore, that any proposal to modify or rearrange working time is part of a process of adapting to the new technologies and a more rational use of capital goods to avoid increasing the unit production cost ;

12. Noting that individual, but also structural and regulatory constraints as well as social and cultural attitudes are a cause of deficient vocational and geographical mobility ;

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1. Assembly debate on 28 January 1987 (24th and 25th Sittings) (see Doc. 5672, report of the Social and Health Affairs Committee, and Doc. 5673, report of the Committee on Economic Affairs and Development). Text adopted by the Assembly on 28 January 1987 (25th Sitting).

13. Recalling its Recommendation 762 on the mutual recognition of degrees and diplomas in post-secondary education ;

14. Believing that there is greater need to aim at broader-based degrees and diplomas and freer flow between education and employment, through more adaptable training systems worked out in consultation between teachers, young people and industry ;

15. Convinced that there are no standard solutions, that various forms of modification and rearrangement of working time are complementary and may differ between countries, taking maximum account of the special features and needs of the economic sectors concerned ;

16. Considering that, although in general terms the reduction and reorganisation of working time should be the subject of negotiations between management and labour, government action is still necessary, to provide the impulse for negotiations, to complement them in areas which fall under government jurisdiction like the age of retirement, training and education, as well as by setting an example as employers in the public sector ;

17. Being of the opinion that government resources used for the payment of unemployment benefits should rather be used, wherever possible, to provide beneficiaries with an activity through employment initiatives or incentives, training and education schemes as well as other selective measures,

18. Recommends that the Committee of Ministers invite the governments of the member states to encourage reduction and reorganisation of working time in all employment sectors, based on the following principles :

a. reduction of individual working time must be accompanied by its reorganisation, and should reconcile improvement of living and working conditions for men and women with the economy's need for competitiveness ;

b. reduction and reorganisation of working time must be the subject of negotiation between management and labour at sectorial or even plant level ;

c. the authorities should act to make it easier to introduce novel patterns of working time and where necessary to modify labour or social legislation ;

d. new patterns of working time should not affect existing basic standards of social protection ;

e. the authorities should envisage incentives to firms and co-operatives which take on staff, especially young people, the long-term unemployed and the handicapped, as a result of reduction and reorganisation of working time ;

f. the possibility of part-time work should be encouraged including in the public sector, on condition that it is offered on a voluntary basis and does not affect basic social rights ;

g. recourse to overtime work should be restricted to situations of unusual pressure of work, and overtime above the amount authorised should be offset by leave ;

h. the various forms of reduced and rearranged working time should be part of a complex of inter-related measures to bring about more flexible conditions of work ;

19. Furthermore recommends that the Committee of Ministers invite the governments of the member states :

a. to develop industrial training courses providing for a ‘‘mixed" period of study and work, and integrating these with technical and university curricula through job-training contracts ;

b. to provide for both young people and adults in employment alternating periods of training and retraining ;

c. to introduce more flexible retirement schemes which allow for greater personal choice in respect of the date of retirement ;

d. to increase vocational mobility through industrial in-service training designed to promote the versatility of employees and not to meet the narrow requirements of a particular job ;

e. to reduce obstacles to geographical mobility by supplying better information on the labour market in various regions, by adapting and improving the functioning of the housing market, and by establishing the transferability of pension rights ;

f. to remove impediments to and provide incentives for the creation of new enterprises ;

g. to assess regularly all rules and regulations which have a negative impact on employment and to abolish or adapt them whenever they appear obsolete or unadapted to circumstances ;

h. to make greater progress towards the mutual recognition of degrees and diplomas between member countries so as to facilitate geographical mobility ;

i. to study the situation of the new categories of manpower emerging on a more flexible labour market by the increase in special types of employment contracts (temporary, fixed periods, homework) and the newly required measures in the social security field.