



Resolution 1424 (2005)¹

Boosting social cohesion and employment: more and better jobs

Parliamentary Assembly

1. European governments are currently faced with the difficult task of harmonising two relatively opposing trends : the pressures of a globalised economy to contain public expenditure and reduce labour costs in order to remain competitive, and a justified demand by European citizens to strengthen the European social model as a basis for a stable and socially prosperous Europe.

2. Rising unemployment levels and rapid population ageing in Europe are of strong concern to all governments, demanding wide-ranging and long-term political responses. Yet, too many countries are facing the problem of an excessive public budget deficit and a consequent level of debt that make it hard to finance the necessary reforms or investment in future development. The time has nevertheless come to rethink social policies and employment patterns in Europe in order to take up these challenges. This policy must be understood as a sound investment in the future and in the improvement of the conditions of employment protected by the European Social Charter.

3. In this context, the Parliamentary Assembly stresses the necessity to develop a regulated, competitive job-creating economy. A narrow approach to labour market reforms will not suffice in this respect. Social cohesion requires the integration of economic, employment and labour policies and a range of proactive economic and social measures. This is also the aim of the European Strategy for Economic, Social and Environmental Renewal, adopted in Lisbon by the European Union in March 2000, which can only be achieved if a more proactive approach is adopted towards implementing the commitments entered into. If Europe is to meet its employment objectives by 2010 and increase its competitiveness and growth potential in the global economy, a reversal of the trend will be needed : both employment and productivity growth must accelerate.

4. Therefore, the Assembly stresses the importance of the following principles and conditions for the good governance of economic and employment policy (supply-side policies) :

the development of an industrial, regional and public investment policy with a view to ensuring that the results of growth are shared among the various regions and provide a lever for investments in key frontier technology sectors as well as for innovation ;

diversification : the need to free entire regions from their exclusive dependence on a single sector or a large industry and to develop a favourable framework for the setting up and extension of small and medium-sized enterprises ;

a good framework for social dialogue that encourages creative social bargaining, ensures the co-ordination of pay negotiations and makes it possible to negotiate flexible solutions that maintain job security based on labour standards ;

active employment and labour market policies with the aim of striking a balance between a high level of employment and a high degree of social protection, and to make employment the focus of economic policy and the fight against poverty and social exclusion, especially through the eradication of long-term unemployment ;

1. Assembly debate on 28 January 2005 (8th Sitting) (see [Doc. 10265](#), report of the Social, Health and Family Affairs Committee, rapporteur : Ms Belohorská). Text adopted by the Assembly on 28 January 2005 (8th Sitting).



industrial restructuring which should be guided by the best socially responsible management practices ;
regular impact assessment of fiscal policy on employment ;
the inception by the public authorities in the financial sector of a wider range of loans in order to better promote enterprise creation.

5. Job quality should be an objective that must be pursued at the same time as supply-side policies. Europe needs more and better jobs. It is also at the centre of the European strategy adopted in Lisbon, which promotes social cohesion, aims to strengthen productivity by increasing the level of security and job satisfaction and strives to counter marginalisation in the labour market.

6. The Assembly is convinced that respect for the right to work, within the meaning of the (revised) European Social Charter, requires an improvement in the effectiveness of policies relating to employment and employment services for all groups, without discrimination.

7. The Assembly calls on its member states to pursue an employment-oriented social policy that encompasses policy measures aiming at :

increasing the adaptability of workers and enterprises ;

increasing the levels of employment of the working age population by attracting more people to enter and remain in the labour market ;

investing more and more effectively in human capital and lifelong learning ;

improving the quality of jobs and working conditions in order to reconcile paid work with family life ;

better mobilising under-represented groups ;

achieving a more equal sharing of paid and unpaid work between men and women ;

reducing labour costs through possible shifts in taxation.

8. Whilst recognising that there can be no "one-size-fits-all" employment strategy for member states, international co-operation on employment can indeed contribute to the convergence of policies when it is based on a definition of mutually agreed goals, an objective method of evaluating policies and the exploitation of the good practices derived from joint assessment and performance indicators.

9. Its enlargement obliges the European Union to take into account in employment strategies the many continuing differences between the two groups of countries as regards employment and social protection. Yet, the accession countries represent one of the most dynamic regions of the global economy and they have a great growth potential that will be stimulated by their effective economic integration and by the implementation of the Lisbon Agenda adopted by the European Union in March 2000.