

'Creating jobs for Europe' from The Irish Times (22 November 1997)

Source: The Irish Times. 22.11.1997. Dublin.

Copyright: (c) The Irish Times

URL: http://www.cvce.eu/obj/creating_jobs_for_europe_from_the_irish_times_22_november_1997-en-447fa53e-b778-4c48-9395-a5b79094804f.html

Publication date: 18/09/2012

Creating jobs for Europe

EU leaders left their special summit in Luxembourg last night heartened by an agreement on new employment guidelines to combat Europe's chronic unemployment problem. After five years of considering the jobs crisis at various summits, the Union has finally adopted a common strategy to combat it. The hope is that the unemployment issue – there are now some 18 million jobless in the EU – will receive the kind of priority that has been given to monetary union. In a clear echo of the Maastricht criteria designed to achieve economic convergence, the French Prime Minister, Mr Lionel Jospin, spoke last night of the "Luxembourg criteria" for growth and jobs.

The main elements of the agreement are impressive; each government will, within five years, guarantee to provide a job, training place or other activity to every unemployed person before they have been out of work for 12 months – or six months in the case of the young unemployed.

There is a commitment to increase the proportion of unemployed people receiving training to 20 per cent, twice the current average. Critically, each member state will prepare a national action plan detailing how unemployment can be reduced. The effectiveness of these will be assessed at the Vienna summit in twelve months' time.

* * *

The new guidelines give some hope that the EU can convert the current period of renewed economic growth into job creation. But there will be no shortage of sceptics. Despite roughly similar growth rates, the US managed to create 40 per cent more new jobs than the Europeans since the 1960s. And the job creating capacity of the Japanese economy has been 70 per cent stronger.

In truth, the EU has been long on aspiration and short on concrete achievements when it comes to unemployment. Europe remains afflicted by an unemployment rate that is more than twice that of its main trading competitors.

The Luxembourg agreement is designed to change all this. But, even after the summit, there is reason to believe that there are still some fundamental policy differences, Britain has taken the lead in pushing the more coercive US style workfare approach. But most other EU states, including Ireland, are protective of the EU's cherished social model with its strong emphasis on workers' rights. These policy differences will have to be bridged before a coherent and binding common strategy emerges.

For all that, the summit still represents a considerable achievement for the EU. It may be that the employment guidelines are not binding on member states. But – if the Maastricht convergence criteria is any guide – there are grounds for optimism that the 'name and shame' principle will oblige member states to conform. The EU Social Affairs Commissioner, Mr Padraig Flynn, who set the agenda for the summit discussions, said last night: "Even though there are no sanctions, peer pressure will be very strong in itself."

The summit agreement is impressive in one other respect: it represents a first dividend on the commitment enshrined in the Amsterdam Treaty towards enhanced co operation and co ordination in employment policies. Mr Jospin – at whose initiative this first summit was convened – is surely correct to describe the Luxembourg agreement as "a beginning, rather than an end".