

ETUC Press release

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**EMPLOYMENT PACKAGE:
LABOUR MARKET REFORMS
WILL NOT CREATE NEW JOBS
AND RELAUNCH ECONOMY**

18 April 2012

**European Trade Union Confederation [ETUC]
Confédération européenne des syndicats [CES]**

Today, the Commission published its Employment Package. Whilst its Communication 'Towards a jobs-rich recovery' rightly puts the focus on the daunting challenge of tackling high and persistent unemployment across Europe, the European Trade Union Confederation (ETUC) has major reservations about its ability to deliver.

The Commission's proposals will do nothing to help create quality jobs, if the European Union and its member states continue to implement rigid fiscal austerity rules. On the contrary, cutting deficits in the midst of a recession will produce a deeper recession and even higher unemployment rates. Labour market policies cannot compensate for failing macro-economic policies. The Commission correctly identifies several sectors – the green economy, health and Information, Communication and Technology (ICT) – with the potential to create employment. However, without the necessary investment to develop these sectors, including investment in skills, training and higher wages, particularly in the health and social services sector, this will merely remain as good intentions.

The Commission continues to focus on labour market reforms and to recycle old and tired recipes, such as flexicurity. Whilst the model has worked in some Nordic countries, in other parts of Europe it has resulted in increased insecurity for workers. Promoting the concept whilst advocating austerity is disingenuous – it will not create sustainable jobs but it will instead result in even more precarious work and inequalities. The German and Central and Eastern European member states reforms are a striking illustration of this.

The Communication does contain some positive proposals: strengthening the involvement of social partners in the elaboration of macroeconomic and labour market policy, the role of decent wages in securing job quality and domestic demand, increasing minimum wages to help prevent growing in-work poverty, action to support youth employment and to tackle undeclared work. To replace the 'governance of austerity' with the 'governance of growth and good jobs', the ETUC urges all European policy makers to advance on these proposals.

Bernadette Ségol, ETUC General Secretary declared: *"While we have yet to carry out a detailed analysis of all the full package, our initial reaction is that it does not rise to the challenge of European unemployment which now affects 24,5 million people. Growth and jobs creation must be the utmost priority but without*

a re-assessment of austerity and a European Investment plan the EU will continue to fail to deliver".

The ETUC exists to speak with a single voice, on behalf of the common interests of workers, at European level. Founded in 1973, it now represents 85 trade union organisations in 36 European countries, plus 12 industry-based federations.

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