



## **CEMR EMPLOYERS' PLATFORM AND EPSU JOINT STATEMENT ON THE EU EMPLOYMENT POLICY**

*Agreed by the employment workshop 19 May 2005, Brussels*

Adopted by the EPSU Executive Committee, 7 June 2005

### **Background**

1. CEMR-EP and EPSU have recognised each other as social partners in 1996 and have since then been working to develop joint actions in the sector of local and regional government. In November 2003 a formal social dialogue committee for the sector was launched at European level.
2. CEMR-EP and EPSU recognise the central role of local government and of social partners in achieving "*more and better jobs*", a central objective of the Lisbon Agenda; CEMR-EP and EPSU have been active in strengthening and facilitating the implementation of previous employment guidelines locally, not only for the overall employment strategy but specifically in the field of equal opportunities and new organisation of work. CEMR-EP and EPSU have issued several joint statements:
  - In 1996 on modernisation of public services, where the social partners underlined the need to use to the fullest the capacity of local and regional governments to maintain and foster employment in the process of modernising public services;
  - In 1997 and 2000 on the EU employment policy and guidelines, emphasising the importance of the role of local government social partners and their wish to actively participate into the definition of national measures;
  - In 1998 on equal opportunities, where the social partners committed themselves to promote the principles of equal opportunities in local and regional government;
  - In 2004 on telework where the social partners support the introduction in their sector of the cross-sectoral agreement on this issue.

### **Results of EPSU and CEMR-EP joint survey**

3. As part of their first two-year work programme, EPSU and CEMR-EP carried out in 2004 a survey on their members' participation in the National Action Plans on Employment and on the priority issues being discussed in the local and regional government sector. This survey found that, although our 1997 statement on employment had recommended the establishment of mechanisms at national level to involve the sectoral social partners, especially in the local and regional government sector, in the design and implementation of their respective national action plans, to date only in few countries do such mechanisms exist.

4. There is a need to strengthen the role of the social partners at regional and local level. This calls for better articulation between local, regional and national levels as well as closer links between employment, structural funds, cohesion, and social inclusion policies. Such links are important in order to tackle and reduce disparities between regions (as well as between countries) and to support EU integration.
5. Local government employers and trade unions can cooperate and negotiate on measures to improve and increase employment, including, where appropriate, issues such as redistribution or reorganisation of working time, new working arrangements, etc. The Committee's 2004 survey drew attention to the following issues as current concerns for the sector: equality, ageing workforce, integration of specific groups, work organisation (adaptability, productivity, attractiveness of work), health and safety/well-being, and skills development.

### **The key challenges for employment**

6. The Commission's *Integrated Guidelines for Growth and Jobs* (2005-2008) COM (2005) 141 published 12 April 2005 highlights progress so far and the key employment challenges. A number are highlighted here:
  - "Progress towards the female employment rate target of 60% has been slow, with the rate now standing at 56.1% for EU-25";
  - "Progress in improving quality in work has been mixed";
  - "Muted private consumption seems to be rooted in continuing concerns regarding employment prospects..." with economic growth "hampered by a continuing lack of confidence";
  - "Internally, the ageing of Europe's population will put an enormous strain on public finances and the labour supply."
7. CEMR-EP and EPSU welcome the integrated approach of the Guidelines and the reinforced commitment to growth and jobs. However, we regret that the Guidelines have a narrow view of the role of local public services/services of general interest, and assert that, "*A further opening up of European markets to competition can be achieved by a reduction in the general level of State aid, while making allowances for genuine market failures.*" EPSU and CEMR-EP challenge the view that public authorities' role should be to intervene only in the event of market failure. On its own, the market cannot ensure that citizens, and businesses (especially small businesses), are provided with access to good quality services. There is always a risk that people on low incomes, or in sparsely populated areas, will end up having to rely on poorer services, which are not of an adequate quality. This is why many services are provided in the public sector, or under the responsibility of public authorities.
8. EPSU and CEMR-EP note that in the European Social Fund proposals for 2007-2013 there are positive references to improving the capacity building of public administrations and the quality of public services. Here the Commission recognises the potential for quality local services to generate both growth and employment, not only in their own right but also throughout the economy.

9. CEMR-EP and EPSU believe that putting local public services at the heart of the employment strategy will help provide solutions to the problems identified in the Integrated Guidelines. It is positive that the Integrated Guidelines call for public spending to be redirected towards "*growth-enhancing categories such as Research and Development (R&D), physical infrastructure, human capital and knowledge.*" If, however, we are to deal with the increasing demands of an ageing society then we have to acknowledge that spending on health and social services are central to this and will also have to increase. While some of the spending on healthcare will fit into the R&D and infrastructure categories and will involve investment in high-levels of training (the Commission's Employment in Europe 2004 report specifically refers to health and social services as one of three key sectors which can deliver high-paying, high productivity jobs), more will also be needed to be dedicated to employment in a wide range of nursing and caring jobs. This will demand more solidarity-based finance to ensure high standards of care for all.
10. This brings us to a contradiction: The EU calls for progress in combating discrimination and in gender mainstreaming; resolute action to eliminate gender pay gaps; an increase in provision of accessible and affordable childcare facilities and care for other dependants; the inclusion of disadvantaged people in the labour market, including through the expansion of social services.<sup>1</sup> However, progress on these requires an important role for the public services. The Commission's Employment report in Europe 2004 recognised this when it stated that the need to reorient "*public spending towards areas such as education and health and social services is crucial*". This illustrates the importance of coherence in EU policies. This demands a positive discussion on public services rather than an ideologically based "*private good, public bad*" approach.<sup>2</sup>
11. CEMR-EP and EPSU note the priority given in the integrated guidelines as to "*the removal of regulatory and other barriers that hinder competition in key sectors.*" They call attention however to the continuing need to maintain or develop appropriate systems of regulation and inspection in relation, for example, to social care and childcare, in the public interest.

### **Good governance and administrative and institutional capacity**

12. CEMR-EP and EPSU welcome the reference in the Integrated Guidelines to the need for "*a broad partnership for change*" involving also the local and regional actors. We also welcome the reference to improving institutional and administrative capacity. We support the 2% earmarking of European Social Fund proposed by the Commission for social partner activities and capacity building.
13. However, administrative and institutional capacity needs to be complemented by financial capacity. As we said in our 1996 joint statement on "*modernisation of public services*", due attention should be paid "*to the prerequisites of effective and modern public services, not least that they should be sufficiently funded.*" We draw the attention to the principles set out in the Charter of Local Self-government, including the principle that the financial

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<sup>1</sup> There have been few references to public services in the history of the employment guidelines, only to the social economy. Only in relation to social inclusion in the new Member States has the Commission referred openly to the need "*to invest more, and more efficiently, in order to improve the quality of and access to key public services, particularly health and social services, education and training and transport*" (p.35 2005 Report on social inclusion)

<sup>2</sup> For example, the latest EC report on competitiveness stated: "*There is also some evidence suggesting that smaller governments are more efficient*" without showing any justification for this.

resources of local governments should evolve in accordance with the costs of delivering the services for which they are responsible. Budgetary restraints must not restrict the capacity of local and regional authorities to foster "*more and better jobs*" and invest in public infrastructures.

14. In public services, the reorganisation of the work processes and administrative structures are often the main instruments for adapting to the changing environment. This requires a long-term commitment to the development of professional skills. Restructuring and the management of change demands, in particular, co-operation and social dialogue.. CEMR-EP and EPSU stress their commitment regarding the modernisation of local and regional government.. The social dialogue Committee plays an inherent part in this. EPSU / CEMR-EP intend to pursue their work on employment and on the modernisation of public services, including through their current project on human resources management.

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