

## Cities and Work - addressing the challenges



(2 March 2015) Most of the 24 million unemployed people live in towns and cities that host three quarter of the population in the European Union.

Municipalities and their mayors and councils therefore play an important role in addressing the challenge of job creation and reducing poverty noted the network Eurocities at a seminar. Mayors of important European towns like Barcelona, Stockholm, Warsaw, Rotterdam, Birmingham and others expressed concern about the impact the financial and economic crisis as well as austerity policies have had on their towns at a time when the demand for employment and social services has grown. They want a European stimulus and focus on the urban dimension of addressing creating jobs. 55% of public investment in the EU takes place at the sub-national level and fell between 2009 and 2013 from 2.5% to 1.8% of EU GDP.

The mayor of Ghent Daniel Termont introduced a statement on [Cities at Work for more and better jobs and a fairer more inclusive society](#) which was adopted.

The mayors call for the European institutions and other actors including the trade

unions to work with them. The municipalities criticise the restrictions there are on local public investment thus imposing constraints on towns that grow and need public infrastructure. Among many other things the mayors plead for a better use of social clauses in public procurement. The cities stress they are major employers and procurers of good and services and hence themselves players in local economies.

Eurocities calls for a high level summit on Cities and Work resulting in a roadmap of shared actions developed with all actors concerned. The proposals were discussed by a panel.

European Commissioner for Economic and Monetary Affairs as well as Tax and Customs Pierre Moscovici argued that the European Union needs to work on fiscal stability, structural reform and competitiveness as well as investment. There is very limited room for public investment. It has to be in infrastructures and production. The Juncker Investment plan is a first step.

MEP Pervenche Berès challenged this notion underlining that the EP will be more critical of the financial underpinning of the investment plan.

The chef of cabinet of Commissioner Thyssen stressed the work being done by the Commission to address Youth unemployment with funds having been made available to get the Youth Guarantee going.

The EPSU General Secretary stressed that the Juncker investment plan was not enough to bridge the persistent investment gap. Direct public investment is required to boost growth in an environmentally friendly manner as [ETUC has proposed](#).

He opposed the links made in the Juncker plan with structural reforms (of the labour market - fragmentation of bargaining, more flexibility, less employment protection, longer working lives). The Commission was further mistaken to use the plan to boost public private partnerships. These come with [significant risks and problems as research demonstrates](#). What we need is social investment in childcare and other public services which deliver on jobs, equality for men and women and reduce income inequality. As major social partner involved in a [social dialogue with the employers](#), he supported the idea of the high level summit.

The seminar was well attended by mayors and deputy mayors underlining the commitment of the cities to seek solutions and ensure appropriate assistance and support from the European Commission. The seminar took place on 26 February 2015, in Brussels. It was chaired by Johanna Rolland the President of Eurocities and

mayor of Nantes.

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