

PERSONAL CONTRIBUTION OF MR. HENK VREDELING FOR THE CONFERENCE ON EMPLOYMENT IN BRUSSELS ON 22 SEPTEMBER 1977, ORGANISED BY THE SOCIALIST GROUP OF THE EUROPEAN PARLIAMENT

---

SPEAKING NOTES

1. There are no simple solutions for a return to full employment:

Increase in

- wages and public expenditure must be moderated, but this is not enough: more profits do not necessarily make more jobs.

2. The Social Democratic solution still fails to provide an effective and coherent package of measures and conditions:

- Work in the public sector uses taxpayers' money and thus depresses wages and profits.
- A reduction in working hours will increase labour costs unless appropriate steps are taken with regard to wages.
- The public authorities and workers must share in decision-making about investment, though this does not mean that enough investment will be made or that it will be carried out correctly.

3. A programme aiming at a return to full employment must contain the following items:

- Moderation of personal incomes, on two conditions. Firstly, that workers share in the profits and that these profits are used to make the necessary investment (redistribution of increased company wealth). Secondly, that the distribution of incomes is improved.
- The improvement of working conditions, including the reduction of working hours.

- A selective investment policy directed towards socially justifiable production in both the public and private sectors.

4. Carrying out a programme of this type on a national basis is completely ruled out.

5. Selective growth is one aim. Social participation is one means towards this. Social participation in investment decisions is, on the other hand, also an aim in itself. However, Socialists must realize that seeking a shift of power in the present social structure is more of a deterrent than an incentive to investment.

6. Apart from the creation of jobs and the distribution of available work, improving employment policy is also of major importance.

There are two reasons for this:

(a) the number of posts that cannot be filled is growing;

(b) The unemployed and those seeking work . . . . . group . The problems of the young, the handicapped, women and the "habitually unemployed" vary considerably and labour exchanges must pay more attention to bringing together employers and those seeking work.

7. To speak of a better relationship between education and available jobs limits education to vocational training. Education and training must, however, include better preparation for working life and everything this entails.

8. The increase in marginal work, moonlighting and overtime and the increasing demands for a reduction in working hours raise the problem of the reorganization of work. Can the definition of salaries and wage-earning employment be questioned and, if so, how?

9. Socialists have hardly begun to answer the important question of how to satisfy potential demands such as better housing, etc., and specify how goods and services of this type are to be marketed and at what price.

#### THE ROLE AND TASK OF THE COMMUNITY

However difficult this may prove, the European Communities must make a contribution to solving unemployment. Socialist and trade union policy must aim at increasing the Community's potential. Giving priority to national solutions would automatically lead to a lower level of welfare in most countries. In fact, this boils down to survival of the fittest. An "every-man-for-himself" attitude would encourage protectionism.

The EEC can encourage Member States and trade organizations to select specific policies.

The EEC will have to play a central role in counteracting protectionist tendencies and encouraging solidarity with the Third World.

However, combating protectionism does not mean embracing unrestricted liberalism. If temporary measures are needed in specific cases to overcome sectoral difficulties or to establish a policy of adaptation, they must really be temporary. They must be accompanied by structural measures which obviate the need for temporary protectionist measures.

However, just fighting protectionism is not sufficient to show our solidarity with the Third World. More far-reaching steps are needed like the preparedness to transfer certain forms of production to the Third World.

As stated above, the EEC must play a major role in the policy of employment and selective growth. National measures may harm other countries - deliberately or not - and they may cancel each other out.

There are various aspects to selective growth: reduction of social costs (such as environmental pollution, depletion of scarce raw materials and secondary materials and the deterioration of working conditions), restriction of the diversification of private consumption and a collective provision of services.

The disadvantages of the pattern of economic growth which reigned until recently must be overcome.

Selective growth does not automatically mean an increase in the number of jobs. A political choice in favour of labour-intensive investments cannot be made until the number of jobs is introduced as a criterion for encouraging - or not - a specific investment. The dangers are real. Unlimited preference for labour-intensive investments can adversely influence wages and/or profits (and thus public revenue). But some such action must be taken with respect to investment to counteract the developments which would take place if private enterprise were completely free. Work is not exclusively an end in itself but it is so important for people that society must be able to participate in decisions of vital importance for the number of jobs.

This must ultimately be coordinated between the industrialized countries themselves (and thus undoubtedly within the EEC) and between the industrialized countries and the Third World. It would be reprehensible for us to concentrate exclusively on labour-intensive production but the reverse would also be wrong.

In aiming for selective growth, Socialists too must take account of the different situations in the different countries, even within the EEC.

We must increase our knowledge about the link between investments and employment and provide a better basis for our political choices concerning expenditure in the public sector. There must be more detailed analysis of the possibilities of both the private and public services sector. These are the subjects that were put forward for closer study at the last Tripartite Conference.