

PRESS RELEASE

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**JOINT MEETING OF EU AND EFTA MINISTERS OF FINANCE AND
ECONOMY ON COMBATTING UNEMPLOYMENT**

JOINT COMMUNIQUE OF EU AND EFTA PRESIDENCIES

On 14 October 1996 the Ministers of Finance and Economy of the EFTA countries and the European Union (ECOFIN) held a meeting in Luxembourg. This was their fifth joint meeting since 1993 on economic policy co-operation and employment matters.

The Ministers discussed main factors behind the unacceptably high rate of unemployment in Europe. Among these factors emphasis was put on insufficient economic growth, the functioning of product markets, lack of skills in the labour force and the need for active and efficient labour market policies.

Reference was made to the employment strategy designed by successive European Councils since Essen. Ministers agreed that a successful employment strategy requires a macroeconomic framework for sustainable non-inflationary growth based on sound public finances, nominal and real wage developments consistent with productivity increases which will allow low interest rates and stable exchange rates.

Ministers agreed that, in addition to a macroeconomic framework to support strong and sustainable economic growth and prudent budget policies that allow sufficient investments in productive and human capital, joint efforts to further implement the Internal Market were important. Furthermore, active labour market policies in order to combat long term unemployment and reintegrate the unemployed into the labour force were needed.

The discussion concentrated on how budget policies, labour market policies, and policies to further improve the functioning of product and service markets could be pursued so as to strengthen employment in Europe. The involvement of the social partners to this end, in accordance with respective national traditions, was stressed. Ministers found the exchange of views and experiences on these issues useful. They agreed that the EU/EFTA dialogue and cooperation of Ministers of Finance and Economy should continue. To this end they agreed to meet again in 1997.

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EFTA PARTICIPANTS

ICELAND:

Mr Fridrik SOPHUSSON

Minister for Finance

LIECHTENSTEIN:

Mr Michael RITTER

Minister for Finance

NORWAY:

Mr Sigbjørn JOHNSEN

Minister for Finance

SWITZERLAND:

Mr Jean-Luc NORDMANN

State Secretary

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For EU participants, see ECOFIN Press Release, doc. 10457/96, Presse 265.
