

PROPOSALS FOR A NEW EMPLOYMENT POLICY

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The discussions on employment issues are often on terms that belong to the past, without taking into account the important shift that has taken place in economic and social background on a global level during the last decades. The dominance of the free market as the fundamental principle of organisation of economic activity, the proliferation of new technologies, the prevalence of the knowledge economy, the change in the role of women in society and the economy, as well as the ongoing globalisation of the markets, create an environment of new challenges where growth, competitiveness and, finally, employment has to be sought on new terms.

The apprehension and uncertainty that a large part of the public feels when faced with these changes is both understandable and expected. However, we as the state have a duty to help the people grasp these changes and their consequences on the reshaping of labor relations. We have a duty to encourage social dialogue and strengthen the institutional framework which will create the opportunities for adjustment of the country's human resources to the prevailing uncertainty.

A lot will depend on our ability to manage change successfully. Isolated and uncoordinated interventions in the labor market are often proved ineffective. The European Union accepts that in order to achieve the Lisbon targets with their recognised social dimension, there needs to be a co-ordinated intervention of policies in the goods, services and capital markets sectors with an emphasis on competitiveness and job creation. The EU also stresses the need for active participation of the social partners in these developments because the achievement of consensus maximises and often guarantees the success of policy interventions.

The European Employment Strategy has produced welcome outcomes especially in relation to the convergence of national policies as regards the quality of their objectives.

The balancing, as much as possible, of the requirements for the attainment of economic growth and competitiveness with the need to prevent the marginalisation of people and groups more vulnerable to the altered circumstances constitutes a recognised contribution of this Strategy.

The Greek employment policy is consistent with the EU objectives of full employment, quality and productivity at work and especially strengthened social cohesion and inclusion.

Human Resources

The new environment, therefore, demands a different organisation of production processes with more pressing the need for innovation and rapid responses.

Consequently, the elements that determine an economy competitiveness change with the level of quality of its human resources becoming a decisive factor. Therefore, it is crucial for all, including policy makers and social partners, to realise that the kind of development that now needs to be sought is people centric, in the sense that growth should be based on two pillars: the human element on the production side as a factor for wealth creation, and society as the recipient of the benefits of this increase in wealth.

Investment in human capital is, therefore, a necessary prerequisite for the successful adjustment of the economies to the new state of affairs. This premise constitutes a priority as much of the European Employment Strategy as for the corresponding national policies. We want a high quality, highly adaptable workforce, with knowledge and skills aligned with the new reality. We want a flexible and creative workforce, able partner in the production of new ideas, innovation and, of course, wealth. Investment in human capital must be substantial and effective, both public and private.

The development of the workforce, therefore, has to be perceived as an ongoing process that is not limited only to the stages of entry/re-entry in the labour market. For this reason, it is not the sole responsibility and duty of the state. Enterprise competitiveness especially in an environment where new technologies prevail, is closely tied to the quality of their labour force and the transfusion of its knowledge and experience, especially those acquired in the course of employment in the particular firm. Staff training on new knowledge and skills is not only part of corporate social responsibility but it is also an essential prerequisite for the firm's competitiveness. The changes in the organisation of production and the management methods of a firm as well as the investment in new technologies do not produce the best returns without the corresponding investment in human capital.

The EU through the European Social Fund (which is the main support mechanism of the European Employment Strategy) makes significant funds available to member states for this purpose. Appropriately used, these funds can make a major contribution in the

achievement of structural change in the labour market and the development of human capital. The European funds must be used for the support of policies which are consistent with the Guidelines and the Recommendations of the European Commission to the member states.

In our country, we assign priority to the programmes for vocational training and life long learning. We invest dynamically in the enhancement and upgrading of skills which today's reality demand. We believe that investment in knowledge is a weapon for the combat of discrimination and social exclusion as well as for the creation of a workforce able to manage its future with optimism and confidence.

We are committed to making important steps towards the rationalisation of the management of available funds for the development of the country's human capital and secure the constant inclusion of the relevant programmes and initiatives in the overall strategy for employment and social inclusion.

We will make every effort to ensure that best practices as those coming out of the EQUAL initiative are transformed into basic policies with innovative and successful actions. We will support with every means possible the final beneficiaries of the programmes in order to secure as much as possible the success of their engagements and their co-ordination towards common goals.

Adaptability of the labour market

One of the main orientations of the EU is the adaptability of the labour market to the changing circumstances.

By adaptability, we mean the flexible employment arrangements (i.e. fixed term contracts, part-time employment, temporary employment, and other non-standard arrangements which are defined against the standard employment contract), the mobility of people, and generally the ability of both enterprises and people to adjust in the change without regulatory obstacles that are not deemed absolutely necessary.

Therefore, an immediate priority for all member states of the EU is the achievement of adaptability of people and enterprises. Part of this objective is to the promotion of non-standard forms of employment with an emphasis on the element of security.

According to the European Commission, the meaning of job security has to be modernised and broadened beyond the sense of protection, to include the ability of people to remain and progress in the labour market.

In this framework, I will briefly refer to part time employment, an issue widely discussed in Greece at the moment. Part time employment under the right circumstances can attract into the labour market groups of people who until now remained for various reasons outside (e.g. many women and disabled people). This entry is related to the

decrease of poverty risk and can therefore contribute significantly to the social inclusion of these people.

Traditional employment arrangements often do not respond to the new ways of organisation of production neither to the new needs for balancing professional and family life. The non-standard arrangements may be part of a solution serving the interests of both employres and employees.

Therefore, the basic tenets on which a new employment policy should be based are:

- Responsibility of the sate to provide opportunities to every citizen;
- Responsibility of the citizen to exploit these opportunities;
- Community participation in the implementation and support of all the initiatives

The success of such an arrangement presupposes of course a clos co-operation between the private and the public sector.

The macroeconomic dimension

One last point which needs to be examined in relation to the employment policy is the macroeconomic dimension.

The main stated objective of an employment strategy is the achievement of full employment. However, the employment strategy is by definition focused on the labour supply side only. The labour demand side is a function mainly of the macroeconomic facts and relevant policies.

Therefore, we come up with the following paradox: an employment policy is deemed effective if it has reached a dual objective one part of which is largely a product of the appropriate macroeconomic policies. It is therefore obvious that analysing the shifts in labour demand is a prerequisite for the evaluation of an employment policy.

If we want a comprehensive employment strategy which will concentrate on matching supply and demand for labour, and finally full employment, the objectives of economic and employment policies as well as their means of implementation have to be consistent. From the planning stage, en employment policy has to be in line with the orientations of the macroeconomic policy. The consequences of this interdependence and organic linkage of the two should be examined on a constant basis until the evaluation stage.

For example, it is possible for measures executed in the context of the employment policy to have led to entry in the labour market of highly qualified human resources, and so for the set target of the policy to have been reached from a quantitative perspective. If, however, the macroeconomic situation is such that the labour market demand side is facing a slowdown, the market's ability to absorb these resources will necessarily be smaller. It would be interesting to consider whether under such a scenario an employment policy can be deemed successful.