

Opinion of the European Economic and Social Committee on 'EU crisis exit strategies and industrial change: more precarious or sustainable jobs?' (own-initiative opinion)

(2011/C 318/07)

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On 15 July 2010, the European Economic and Social Committee decided to draw up an own-initiative opinion, under Rule 29(2) of its Rules of Procedure, on

EU crisis exit strategies and industrial change: precarious or sustainable jobs?

The Consultative Commission on Industrial Change, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 7 June 2011.

At its 473rd plenary session, held on 13-14 July (meeting of 13 July), the European Economic and Social Committee adopted the following opinion by 123 votes to 5 with 6 abstentions.

1. Conclusions and recommendations

1.1 This opinion seeks to answer the question of how European industry can best emerge from the crisis. The EESC is convinced that what is needed here is sustainable jobs. That means jobs that enable people to earn an income in a safe and healthy working environment and in a climate that respects workers' rights and accommodates fruitful social dialogue; it also means highly productive jobs that provide added value in terms of innovation, quality, efficiency and productivity. This will enable Europe to generate stable economic growth and to remain competitive against other regions in the world.

1.2 The EESC believes that the most important prerequisite for the creation of new jobs is sustainable, stable economic growth. The EESC welcomes the fact that a number of institutions and organisations have made proposals for emerging from the crisis that take account of the social dimension of recovery. The European Commission's Europe 2020 strategy, with its flagship initiatives, and the European social partners' labour-market policy recommendations will contribute to this, and the Council of the European Union, the European Parliament, the ILO and the IMF have also made recommendations that take account of more than just economic considerations.

1.3 The EESC notes that businesses have recourse to various types of employment. This results in new types of work: precarious jobs where people are employed on temporary contracts for low pay with little social protection and no legal protection. Not all temporary work is precarious – highly skilled freelancers can do very well for themselves on the labour market on the basis of individual orders – but it is, by definition, precarious when it comes to low-skilled and unskilled jobs in manufacturing and services. Flexicurity may be a way of meeting businesses' need for flexible work, but only on condition that the associated security is comparable to that provided by a permanent job, as noted in a previous EESC opinion on flexicurity (CCMI/066).

1.4 Demographic change – an ageing working population and fewer young people entering the labour market – and rapid technological developments in production processes mean that Europe is facing a serious shortage of skilled manpower. It is therefore of the utmost importance that everyone should gain long-term access to the labour market and that nobody should be excluded. The EESC stresses that employees must have the opportunity to keep their skills and professional qualifications up to date and to learn new skills during their working life, as this will enable them to adapt to changes in their working environment and provides a response to the demand for skilled workers on the labour market. Handling this process efficiently and effectively is one of the most important tasks facing the EU if it is to remain able to compete with other regions of the world.

1.5 The EESC stresses that employees must have access to vocational training programmes, in particular. Research has shown that it is often the employees who are most in need of training who are least likely to make use of it, so different measures will be needed for different categories of employee.

1.5.1 A large proportion of the budget must go to the lowest skilled workers, as they are the most in need of additional training. This could be achieved by allocating training budgets to individual employees, with the amount being inversely proportional to their level of training so that the least skilled workers are eligible for the most money.

1.5.2 Older workers need a personnel policy that takes greater account of age. At a time when many EU Member States are raising their pension age, many older people lose their place on the labour market before reaching the current pension age, for example because they cannot keep up with changes. Specific, targeted training could help to resolve this issue.

1.5.3 It is very important for education and training to be effective. A number of Member States are experimenting with new, more effective training methods and are rediscovering the importance of workplace learning. The EESC highlights the importance of further developing projects of this kind, and urges the Commission to promote this by ensuring that examples of good practice in the field are exchanged.

1.5.4 Employees gain informal, but valuable, knowledge and experience through doing their job. Skills gained by this route are not adequately recognised, because no formal certificates are issued for them. A number of Member States are working on a system for the accreditation of prior learning (APL); this initiative, too, is worthy of the Commission's recognition and support.

1.5.5 A number of mechanisms have been developed at the initiative of the Education and Culture DG to improve transparency of qualifications and quality of education and training in the context of lifelong learning at European level⁽¹⁾. These instruments are now being used, primarily in education, to increase students' mobility and employability within Europe. The EESC highlights the importance of these instruments and urges the Commission to look into how they can be used to increase workers' mobility and employability within Europe, too.

1.5.6 A variety of instruments are available to facilitate measures of this kind. A number of such programmes can be agreed through collective bargaining, and they can be funded at Member State level via financial incentives and tax breaks. The European Union can contribute in the form of co-financing from the structural funds and by publicising examples of good practice among the relevant institutions at EU and Member State level.

1.5.7 The EESC highlights the fact that employees not only have the right to access vocational training programmes but also need social protection and a secure income if they are to be able to function optimally, without fear for the future, in a rapidly changing society.

1.6 The EU's ambition is to develop into a competitive knowledge economy with more and better jobs and greater social cohesion. The Lisbon treaty explicitly states that the EU wants to achieve this by, inter alia, combating social exclusion, promoting economic and social progress for its citizens and guaranteeing the social rights set out in the 1961 European Social Charter, the 1989 European Community Charter of the Fundamental Social Rights of Workers and the 2000 EU Charter of Fundamental Rights.

1.7 The EESC urges the EU institutions to maintain European social standards with more conviction. The lack of decisiveness in this area has led to a growing number of working poor, rising inequality, ever greater fear for the future and, at the

same time, a rise in citizens' distrust in one another, social institutions and government – not just national governments, but also the EU institutions, as demonstrated by the rise in Euroscepticism in a number of Member States.

1.8 There are many initiatives in the Member States on the topic to which this opinion relates, a number of which are described in the appendix; the examples were submitted by CCMI members. The appendix shows that there is a great deal of dynamism, but also that there are significant differences between countries and sectors. There is a need for exchanges of experience and good practice at operational level. What works, what doesn't? What are the critical factors? The EESC advises the European Commission to promote and facilitate the exchange of experience and good practice.

2. Current state of play

2.1 The economy has now been in crisis for three years. This started with a crisis in the financial markets resulting from a stagnating housing market in the United States. In the second half of 2008, the 'real economy' also went into free fall as a consequence of the financial crisis. The term 'credit crunch' does not cover the entire scope of the crisis: the problem was not just that there was less liquidity and (in the longer term) capital; there was also a general structural crisis of confidence in the financial sector.

This own-initiative opinion is not about the crisis itself, but primarily seeks to answer the question of how European industry can best emerge from the crisis.

2.2 In total, 3,25 million jobs were lost in Europe in 2009 and 2010, primarily in industry and agriculture. Even before the crisis broke, concerns about demographic change had been voiced in the EU. Because the baby-boomers born after the second world war are now retiring, there will soon be a major shortage of skilled workers. Because older workers are leaving employment earlier due to the crisis, the issue of replacing them has become even more urgent. This raises two problems. The first is quantitative in nature: in some Member States, and some sectors, not enough young people with job skills are entering the labour market to meet demand. The second problem concerns quality: the abrupt way in which the workforce is being replaced is disrupting the transfer of knowledge within businesses.

2.3 The most important prerequisite for the creation of new jobs is sustainable, stable economic growth. Since the start of 2010 a fragile recovery has been in evidence, with a small increase in production in a number of sectors, and a tentative rise in demand for labour, although the situation varies between Member States. Society is rapidly changing under the influence of globalisation, as is the labour market. Businesses are using various types of work arrangements, which is increasingly resulting in new forms of employment, including precarious jobs. Eurofound's latest European working conditions survey shows that most employees still have permanent jobs,

⁽¹⁾ EQF, ECVET, Europass, EQAF.

but that the number of temporary contracts is increasing ⁽²⁾. The main mechanisms for getting around collective agreements seem to be subcontracting, outsourcing and pseudo self-employment under minimum working conditions. Use of these models has increased steadily in recent years.

3. Background

3.1 The European social model is a unique form of social capitalism which developed in Europe after the second world war and has successfully mitigated the excesses of capitalism while maintaining its benefits. This model was a source of inspiration for EU Member States in building a society characterised by cohesion, solidarity and competitiveness. Such a model must ultimately pave the way for a democratic, environmentally sound, competitive, solidarity-based and socially inclusive welfare area for all of Europe's citizens.

3.2 This principle can also be seen in the Lisbon treaty. As well as laying down a number of economic rights and rules concerning fair competition in the internal market, the EU also promises its citizens that it:

- wishes to combat social exclusion;
- is determined to promote economic and social progress for its citizens;
- guarantees the social rights set out in the 1961 European Social Charter, the 1989 European Community Charter of the Fundamental Social Rights of Workers and the EU Charter of Fundamental Rights;
- seeks the highest possible level of knowledge for its citizens through wide access to education;
- guarantees application of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation, including equal pay for equal or equivalent work within the same business or under the same collective agreement.

3.3 In reality, the picture is less rosy. New jobs are being created, but most of them are temporary, casual jobs with low pay, limited social security benefits and little legal protection for employees. It is perfectly understandable that employers do not immediately start offering workers permanent contracts when the economy slowly starts to emerge from a crisis. Temporary employment can even constitute a welcome addition to the job supply and at the same time help to reduce social exclusion, by providing work for groups that would otherwise find it hard to

enter the job market. But this must not lead to exploitation. If the recovery continues and these jobs prove to be long-term, they must be switched to a type of contract that guarantees a reasonable income level, social security and legal protection.

3.4 A more serious problem is that permanent jobs with decent working conditions are also being converted into precarious jobs based on insecure, temporary contracts with little social security and legal protection, in the public as well as the private sector. This breaks the promises made to citizens concerning social cohesion in the Lisbon treaty. Of course, not all temporary work is precarious – highly skilled freelancers can do very well for themselves on the labour market on the basis of individual orders – but it is, by definition, precarious when it comes to low-skilled and unskilled jobs in manufacturing and services ⁽³⁾.

3.5 In many fields, Europe is still a world leader – on prosperity levels, social protection and competitiveness – but we have lost ground, measured against our own history and against other economies. Poverty is increasing, income disparities are growing and public spending is being cut, according to an OECD study from 2008 ⁽⁴⁾.

3.6 In 2003, Eurostat added 'working poverty' to the European portfolio of social indicators. The percentage of 'working poor' in the EU-27 in 2008 was 8.6 %, in part because the number of decent jobs is falling, while temporary and precarious work is on the increase. This is leading to an increase in distrust among the population, and a society based on distrust and torn apart by social conflict has no chance of sustainable, stable economic growth.

3.7 Material inequality has risen sharply in recent decades. Tony Judt gave some striking examples of this in one of his last books ⁽⁵⁾: in the United Kingdom, there is now greater inequality than there has been since the 1920s; the UK has more children living in poverty than any other country in the EU; the majority of new jobs created there are either very well or very poorly paid; and since 1973 inequality of income distribution has increased more in the UK than anywhere else.

In 1968, the head of General Motors in the United States earned 66 times the average salary in his company, while in 2009 the head of Wal-Mart earned 900 times the average in his. This is an extreme example, but the average situation reveals a similar picture. In 1965, directors of large US companies earned 24 times the average salary in their companies; by 2007, this figure had shot up to 275 times the average salary ⁽⁶⁾.

⁽²⁾ *Changes over time – First findings from the fifth European Working Conditions Survey.*

⁽³⁾ Precarious work is defined as employment based on a temporary contract that can be rescinded unilaterally by the employer at any time without giving rise to any obligations.

⁽⁴⁾ *Growing unequal? Income distribution and poverty in OECD countries.*

⁽⁵⁾ *Ill Fares the Land: a treatise on our present discontents* (2010).

⁽⁶⁾ www.finfacts.ie/irishfinancenews/article_1020265.shtml.

3.8 The social costs of growing inequality are high. Research by Wilkinson and Pickett⁽⁷⁾ has shown that societies with relatively large material disparities perform less well in almost all other aspects of daily life than societies that are relatively materially equal: people are less healthy and die earlier, there is more crime and – the biggest problem – mutual trust between people and trust in society are undermined. This ultimately leads to people turning against government – both against national governments and against the European Union, as demonstrated by the rise in Euroscepticism in a growing number of Member States. It also undermines mutual trust in society as well as trust between the social partners.

4. Objectives

4.1 Economic change is accelerating; this, in combination with the demographic problems we are facing, calls for rapid, extensive action. Society is never ‘finished’: it is continuously developing, and the labour market needs to develop in parallel. Economic interests are not the only factor in reshaping the labour market, though: there are also societal interests at stake. The challenge is thus to shape the labour market such that it benefits all of society.

4.2 There appears to be consensus among all the institutions concerned regarding the direction the labour market needs to take. The Council of the European Union has put forward employment policy guidelines⁽⁸⁾ that pay close attention to social factors. The Council of Employment Ministers has referred to the benefits of providing flexibility within businesses, instead of having a layer of flexibility ‘on the outside’, and the European Parliament has adopted a resolution calling on the EU to develop a strategy for ‘green jobs’. This will help create a sustainable future, and also force Europe to be innovative⁽⁹⁾. The EESC has adopted a number of opinions on the matter⁽¹⁰⁾. The European Parliament also adopted by a large majority a resolution on atypical contracts which argued *in favour* of permanent jobs and *against* the conversion of permanent jobs into precarious forms of employment⁽¹¹⁾.

4.3 As part of the Europe 2020 strategy, the European Commission has published a number of ‘flagship initiatives’ making specific proposals in this connection. The initiative ‘An industrial policy for the globalisation era’ promotes the creation of skilled, productive jobs. The ‘Youth on the move’ and ‘An agenda for new skills and jobs’ flagship initiatives call for a ‘single contract’. The Commission’s aim with this new type of contract is to combat the development of a two-tier labour market by giving new entrants to the market the opportunity,

following a reasonable trial period, to accrue social rights by allowing them access to systems based on collective agreements between the social partners or on legislation.

4.4 The European social partners are also broadly in agreement concerning the policy to be pursued. In 2007⁽¹²⁾ and 2010⁽¹³⁾, Business Europe, ETUC, UEAPME and CEEP published reports containing recommendations for a labour market policy that covered both economic and social interests.

4.5 At a conference in Oslo in September 2010, the IMF and the ILO stressed that it was of the utmost importance to bring down the very high levels of unemployment, not only for economic reasons but also in the interests of social cohesion. According to the IMF, we need to avoid the risk that another entire generation will be lost to the labour market. Since 1999, the ILO has had a Decent Work Agenda, which aims to enable people to work in conditions of freedom, equity, security and human dignity. In June 2009, the ILO adopted the Global Jobs Pact, a new initiative focusing on economic recovery and job retention. In its most recent publication on employment⁽¹⁴⁾, the OECD called for a policy that focuses on preventing mass long-term unemployment.

4.6 The basic principle is, of course, that Europe must remain competitive against other regions in the world, and this will only be possible on the basis of education, knowledge, innovation, quality, efficiency and productivity. The EU simply cannot compete with countries such as China, India and Brazil on the basis of labour costs. That will only be possible if working conditions in the EU are adjusted significantly downwards, which would conflict with the EU’s ambition of being a competitive knowledge economy with more and better jobs and greater social cohesion. What the EU can do, as well as redoubling efforts in research and development, is to promote and support investment in training, with general education the preserve of public education systems and the social partners and the government being responsible for targeted vocational training.

4.7 The importance of targeted vocational training is underestimated, and it is often restricted to young employees and employees who are already relatively highly qualified. Within the EU-27, 57.6 % of highly skilled employees participate in vocational training, but only 28.4 % of lower skilled employees do so. Sweden is top of the list, with 91 % and 57.6 %, respectively, and Romania is at the bottom (14 % and 3.9 %) ⁽¹⁵⁾. Training must also, and primarily, be targeted at the less educated, at older people, at women and at immigrants so

⁽⁷⁾ *The Spirit Level: Why more equal societies almost always do better* (2009).

⁽⁸⁾ Inter-institutional file 2010/0115.

⁽⁹⁾ P7_TA-PROV(2010)0299.

⁽¹⁰⁾ OJ C 306, 16.12.2009, p. 70 and EESC opinion on the proposal for a Council Decision on *Guidelines for the employment policies of the Member States – Part II of the Europe 2020 Integrated Guidelines* (OJ C 107, 6.4.2011, p. 77).

⁽¹¹⁾ 2009/2220(INI).

⁽¹²⁾ *Key challenges facing European Labour Markets: a joint analysis of European social partners.*

⁽¹³⁾ *Framework agreement on inclusive labour markets.*

⁽¹⁴⁾ *OECD Employment Outlook 2010 – moving beyond the jobs crisis.*

⁽¹⁵⁾ Eurostat Adult Education Survey.

that these groups, too, have the long-term prospect of a place in the labour market. An effective way of achieving this is to give individual employees training budgets inversely proportional to their level of training. Unemployment hits the low-skilled hardest, along with those with outdated skills working in traditional sectors that are in decline. Without additional investment in training it will not be possible to give them the opportunity to find jobs in another, modern sector of the economy, and if we do not ensure that those people can get back into the labour market, we will soon have a shortage of skilled workers at all levels of the market.

4.8 Not enough attention is being paid to the situation of older workers. At a time when many EU Member States are raising their pension age, many older people lose their place in the labour market before they reach the current pension age, either because they can no longer keep up with the pace of change in production processes or because shift work becomes more problematic with age. A targeted age-aware human resources policy is needed in order to keep these older employees healthy and in work. Many of these problems can be solved by specific, targeted courses, but here too Eurostat data ⁽¹⁶⁾ show that participation in vocational training is much lower among older people than among young people: 20.9 % of people aged 55 to 64 years, as against 44.2 % of people aged between 25 and 43.

4.9 Education and training are only worthwhile if programmes are effective and employees on them actually acquire the skills they need to adapt to a rapidly changing labour market. Conventional theoretical teaching approaches, far removed from workplace reality, need to be supplemented with placements in businesses – but these theoretical approaches are still all too common in practice. In recent years, a number of Member States have been using new, effective, practical training in the workplace. Cedefop recently undertook research into the effects of workplace learning ⁽¹⁷⁾. It is highly recommended that this kind of training be extended and promoted.

4.10 Employees do not just learn from formal training schemes, but gain informal, but valuable, knowledge and experience through doing their job. Skills acquired by this route are not adequately recognised because they are not certified, and so no formal, recognised qualifications are issued for them. This limits employees' mobility: while they stay in their old job there is no problem, but their opportunities to change job are restricted because they cannot use their informal qualifications to find a new job. A significant amount of research has already been done into options for APL systems, including by the OECD ⁽¹⁸⁾ and Cedefop ⁽¹⁹⁾.

⁽¹⁶⁾ Cf. footnote 1.

⁽¹⁷⁾ <http://www.cedefop.europa.eu/> 'Learning while working. Success stories on workplace learning in Europe'.

⁽¹⁸⁾ <http://www.oecd.org/dataoecd/9/16/41851819.pdf>.

⁽¹⁹⁾ <http://www.cedefop.europa.eu/EN/publications/5059.aspx>

The majority of Member States are developing systems for assessing and recognising the outcomes of informal and non-formal learning, but only a few have yet achieved concrete results ⁽²⁰⁾. This initiative deserves greater recognition and support.

4.11 A number of mechanisms have been developed at the initiative of the Education and Culture DG to improve transparency of qualifications and quality of education and training in the context of lifelong learning at European level ⁽²¹⁾. These instruments are now being used, primarily in education, to increase students' mobility and employability within Europe. The EESC highlights the importance of these instruments and urges the Commission to look into how they can be used to increase workers' mobility and employability within Europe, too.

4.12 An employer who invests in their workers by organising training courses during working hours and who covers all the related training costs may well ask their employees to study in their own time outside the training sessions, where such study is necessary. A training programme that does not focus solely on performing a specific task but also gives people the skills to work more widely within the business or elsewhere in the labour market is the best preparation for a future in a rapidly changing world. A programme of this kind would have benefits for both employers and employees: employers acquire skilled, committed staff, and employees improve their position in the labour market. This process needs to be given new impetus as a matter of urgency, given that according to recent figures the lifelong learning process has been stagnating for a number of years ⁽²²⁾.

5. How to achieve this

5.1 Businesses need certainty if they are to make long-term investments, for example in new developments. New technologies for renewable energy have been developed more quickly in Germany than elsewhere in Europe because the German government established a multiannual support programme that gave businesses in the sector the confidence that this structural development would be supported and subsidised by the government over a number of years. The result of that policy is that Germany has become a world leader in such technologies and that employment in the sector in Germany has risen from less than 70 000 to almost 300 000 jobs within a decade.

⁽²⁰⁾ For example, France has a certificate of business skills (*certificat de compétences en entreprise*, CCE), and the Netherlands has a certificate of experience (*Ervaringscertificaat*).

⁽²¹⁾ EQF, ECVET, Europass, EQAF.

⁽²²⁾ <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&language=en&pcode=tsiem080&tableSelection=1&footnotes=yes&labeling=labels&plugin=1>.

5.2 It is not only businesses that need certainty: employees also need security in terms of income, social protection and training. These principles represent the core values of the European social model as it was established in Europe in the years after the second world war. Well-trained workers have income security because their qualifications give them access to the labour market and the certainty of a decent job. Workers who are unemployed through no fault of their own need social security to enable them to undertake training, retraining or further training to help them find a job elsewhere. Finally, workers need to have confidence that they can access training programmes that will enable them to achieve their personal ambitions in terms of work and income. The only way we can ensure the survival of the European social model in a global market is through a motivated, qualified, responsible and flexible workforce. In return, we must ensure that the labour force benefits from the security inherent in the core values of the European social model.

5.3 Of course, workers never rely on all three of these forms of security at the same time. What is more, these forms of security always pay for themselves over the long term: a better balance between supply and demand on the labour market, thanks to adequate provision of programmes to provide people with training, retraining and further training, reduces long-term unemployment.

5.4 Flexicurity, negotiated between the social partners, may be an important tool in the section of the labour market where demand for flexible work is logical, understandable and justified⁽²³⁾. New forms of employment are more likely to be introduced successfully if the social partners reach collective agreements on them following proper consultation, and that will only be possible in a climate based on trust. Not only society, but also workers themselves, have changed significantly. Not all people are looking for a job for life nowadays. What workers want above all is the certainty that they will be able to find appropriate work throughout their working life, not in the form of insecure, precarious work but in a form that gives them greater security, as explained in point 5.2. In the case of larger businesses, this can easily be achieved through internal flexibility: rather than wrapping an external layer of flexibility around the company, permanent staff are used flexibly within it. The Council of Employment Ministers discussed this option in July. This form of flexicurity is a better fit for the knowledge economy that the EU aspires to. Collective agreements between social partners are the best way of realising this form of flexibility.

5.5 Nonetheless, businesses will always need temporary workers in busy periods. Moreover, the internal flexibility model is less suited to small and medium-sized enterprises. Small and medium-sized enterprises are important for the European economy and provide the majority of jobs. We therefore need to look for an effective method that reduces the differences between employees with permanent employment contracts, good social protection and a strong legal position,

and those with temporary contracts, minimal social protection and a weak legal position, who must also have a guaranteed right to things like sick pay, accrual of pension rights, unemployment benefits, paid leave and parental leave. This could be achieved by, for example, giving them access – under certain conditions and at an affordable cost – to arrangements negotiated at sectoral level by collective bargaining or established at national level in legislation. A system of this kind has been introduced in Austria. Here, too, responsibility is shared between the social partners and government.

5.6 Human resources management will also have an important twofold role in the future. Firstly, it plays a key part in shaping the content of training programmes, enabling employees to keep their job skills up to scratch. Yet HR management also performs an important task in helping to restore the broken trust between the social partners so that they can seek solutions to labour market problems together and in close consultation. If solutions are successfully found based on this restored trust, this can lead to a labour market where employers gain the flexibility they want and employees the security they need.

5.6.1 This improved human resources management is the key to both renewed trust between the social partners and a new sustainable employment market approach. Management of this kind must be founded in particular on:

- anticipating trends in terms of occupations and job profiles, ensuring that they are not too arduous;
- encouraging workers to take the initiative and responsibility in order to enhance the performance of individuals and groups;
- reviewing certain (preparatory) vocational training structures which do not (or only poorly) match the requirements of local labour catchment areas;
- improving career guidance schemes for young people, by bringing in more people who work or are expert in the relevant sector;
- focusing closely on local know-how and traditional products and regional brands whose relative rarity gives them their particular heritage status.

5.6.2 The aim of a more stable and healthy labour market needs to form part of a wider strategy including other sectors such as services of general interest and the liberal professions.

⁽²³⁾ See EESC opinion on *How flexicurity could be used for restructuring against the backdrop of global development* (O) C 318, 23.12.2009, pp. 1–5).

5.7 Although it is Brussels that broadly sets the direction for the development of the labour market, this can only be implemented in the Member States, and the regions would generally seem to be the most appropriate level for this. The key to a knowledge economy will be for the regions to develop and maintain a creative working population. The EU could stimulate this development with financial assistance from the EU structural funds and by collecting examples of good practice and making them available in a database. CCMI members have collated a number of such examples of good practice, which are included in the appendix ⁽²⁴⁾. The EESC calls on the European Commission to disseminate these examples of good practice and to commend them to relevant institutions at both EU and Member State level.

5.8 There are examples of regions in Europe with a rich industrial past where the traditional industry and thus the

basis of regional employment and prosperity disappeared almost completely within a short period, such as the area around Lille in northern France and the Ruhr region of Germany. Instead of desperately trying to hold on to the past, stakeholders in these regions looked at their options for the future and acted on them, with the result that both the region around Lille and the Ruhr were given new hope, and both started to grow on the basis of completely new, and above all sustainable and knowledge-intensive economic activities: they have both even become European Capitals of Culture. For it is here that the strength of Europe's economy lies; these are the sectors where Europe has the best prospects, and it is here that it should try to consolidate its position. To that end, governments and the social partners need to develop initiatives that ultimately lead to the European social model as defined in a previous EESC opinion ⁽²⁵⁾.

Brussels, 13 July 2011.

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of the European Economic and Social Committee
Staffan NILSSON

⁽²⁴⁾ <http://www.eesc.europa.eu/resources/docs/handout.doc>.

⁽²⁵⁾ OJ C 309, 16.12.2006, p. 119.