

With more than 5 million more Europeans now unemployed due to the crisis, the EU's approaches to tackling unemployment are treating the symptoms, not the causes.

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One of the European Union's main priorities is tackling growing unemployment. However, the current approach fails to deliver, argues [Ania Plomien](#). While Europe undertakes a number of labour-supply-measures such as training schemes and apprenticeships, it is the demand for labour in Europe which is still essentially lacking.



The commitment of European Union (EU) institutions to foster employment and advance social policies is well-known. In June 2010 the EU leaders adopted the Europe 2020 Strategy – a set of common economic, environmental, employment and social policies with a view to achieving smart, sustainable and inclusive growth. Employment and social policies can be interpreted as increasingly central to European economic governance since they are now coordinated with fiscal and other economic areas and the synergy between social and economic goals has been reaffirmed. Can the concerns about subordinating social for economic aims be put to rest? Is the European Social Model secured with respect to its realised or aspirational potential?

A detailed analysis of the content of recent EU level policies does not inspire the confidence so painstakingly woven through official documents. And any potential spot of enthusiasm that might sneak in surely disappears when read along with statements related to responding to the latest economic crisis – the worst since the very inception of the EU. A recent example is a [statement the European Council issued](#) on growth-friendly consolidation *in* which it advocates 'smart fiscal consolidation', 'sound macroeconomic policies' and an 'active employment strategy'. The Statement highlights three priorities:

- stimulating employment especially for young people,
- completing the Single Market, and
- boosting financing of the economy in particular SMEs.

These priorities in and of themselves seem uncontroversial. However, it is difficult to imagine their attainment together with the relentless emphasis on 'smart fiscal consolidation' and the ensuing austerity measures.

Consider the proposals for young people. Given the worrying youth unemployment rates across the EU (in December 2012 at 22.1%, compared with 9.9% overall average), policy action in this respect is warranted. This applies to most EU countries, as only Austria, Germany, and the Netherlands have youth unemployment rates below 10%, but particularly to Spain and Greece where they reach almost 50%. Council recommendations for reducing youth unemployment aim to overcome skill and geographic mismatches through re-directing available EU funds towards support for young people to get into work or training, developing apprenticeships and traineeships, cutting non-wage labor costs, and improving cross-border mobility.

These measures are inadequate in a number of ways. One deficiency concerns the funding mechanism, where instead of committing additional funds (EU or (sub) national) the shifting of resources, especially within the European Social Fund:

- will create gaps in other socially desirable policy areas, and
- will not secure resources for the long-term, particularly if the relative severity or significance of youth unemployment were to diminish in the context of other ('more pressing') needs.

A second limitation is a bias towards labor supply measures – such as education and skills – where it is the demand for labor, both in the public and private sectors, which has proven deficient. Of course a well-educated workforce is desirable, but, as a [member of the European Parliament noted](#), young people end up in unpaid traineeships and precarious employment regardless of their educational attainment. It is public sector spending cuts and private sector losses that require more scrutiny and action given the sharp fall of the total number of jobs in the EU by 5.1 million since the onset of the crisis. The implications of shifting taxes away from labour for job creation are at best ambiguous, not only because current unemployment is linked to insufficient effective demand rather than wage rigidity, but also because it is difficult to see how such a strategy can reduce labour market segmentation and create good quality jobs.

Finally, the Council's Statement places undue responsibility on the individual, where activation carries an unequal distribution of risk between individuals and institutions – promoting occupational, geographical, or cross-border mobility of young people for jobs that are often temporary, low-paid, and otherwise precarious demands disembedding from family, friends, and communities that prove the more important in times of economic hardship.

The critique of the austerity policies can go on, including treatment of symptoms rather than causes, uniformity of policy prescriptions despite uneven economic models within the EU, short-sightedness and lack of a long-term perspective, ill timing and severity, and most importantly with respect to the vision of a good society for Europe.

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Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.

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