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COPY NO

1

25 June 1982

EUROPEAN COUNCIL, BRUSSELS

28/29 JUNE 1982

NORTH/SOUTH

Brief by Foreign and Commonwealth Office

OBJECTIVE

1. To endorse progress made at Versailles while avoiding detailed discussion.

POINTS TO MAKE

Global Negotiations

2. (If necessary) Welcome improved prospects for launching Global Negotiations. Partners should recognise flexibility shown by US. Hope G77 will respond positively to proposals agreed at Summit.

Energy

3. (If pressed) Specific proposals for new World Bank activity in energy sector must be carefully assessed in context of the Bank's overall financing needs.

BACKGROUND

4. The Americans have made a significant concession in accepting the Bedjaoui text as a basis for further consultations on GNs. Amendments were agreed at

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Versailles which satisfactorily protect the Specialised Agencies. These will now be put to the G77 by the Canadians. The Community has endorsed this initiative. Further action now awaits the G77 response in New York.

5. Summit participants agreed to encourage 'programmes or arrangements' to increase developing country energy production. Mr Clausen has floated the idea of an Energy Trust Fund in the Bank, responding to pressure for action from President Mitterrand. This idea is contentious and might divert funds which would otherwise go to IDA. Premature discussion should be resisted. Mr Clausen proposes to invite the Chancellor, the Ministers of the other Versailles Summit countries and the Ministers of Saudi Arabia and Kuwait, to a private lunch on Monday, September 6, for a discussion of the issues facing IDA and the World Bank, and to review what might be done to increase investment resources available for energy projects.

Foreign and Commonwealth Office

25 June 1982

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21 JUNE 1982

COPY NO. 1

EUROPEAN COUNCIL, BRUSSELS

28/29 JUNE 1982

COMMUNITY ACTION TO COMBAT UNEMPLOYMENT

Brief by Department of Employment

OBJECTIVE

1. To express agreement with the Resolution but to avoid any further initiatives at this stage.

POINTS TO MAKE

2. Agree unemployment is a major Community problem. Effective action to reduce it has to be linked with struggle to bring down inflation and improve competitiveness. Glad that Resolution follows line laid down in conclusions of last European Council.

3. Particularly welcome call for priority for young people's training and recognition of importance for economic growth of small and medium-sized enterprises.

4. Resolution usefully summarises current Community objectives but will fail in its aim unless it is followed up in ways consistent with promotion of monetary stability and greater competitiveness.

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BACKGROUND

Reference

A Council Resolution on Community Action to Combat Unemployment (provisional version).

5. The Belgian Presidency is expected to present this Resolution to the Council for endorsement. The Resolution, which was agreed at the Council of Ministers (Labour and Social Affairs) on 27 May, asks the Commission to submit proposals for discussion at the (tripartite) Standing Committee on Employment and a special Council Meeting in the second half of 1982.

6. The Resolution makes recommendations or notes work in hand by the Commission designed to increase employment covering:

- (a) promotion of both private and public investment, paying regard to the current situation in each member state and the need to avoid unacceptable budget deficits, and giving priority to the less-favoured regions.
- (b) better functioning of the labour market.
- (c) industrial restructuring programmes.
- (d) encouragement of small and medium-sized undertakings.
- (e) priority for vocational training for young people.
- (f) the dialogue with the Social Partners on the reduction of working time.

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7. The Presidency conclusions of the last European Council noted that although the situation in each member state might call for varying policies and solutions all Community countries had the same interests in combating unemployment and restoring economic growth while preserving monetary stability and ensuring the competitiveness of their economies. The conclusions also stated that member states should strive to ensure over the next five years that all young people entering the labour market should receive vocational training or initial working experience, and asked the Council to report back to the European Council before the end of the year on both national and Community decisions and measures adopted to this end. For this purpose, a special meeting of the Council would study the specific measures to be taken to promote employment. These actions will take place under the Danish Presidency, who are expected to give them high priority.

8. The UK has attempted to keep the terms of the Resolution consistent with the European Council conclusions, particularly in linking action against unemployment with action against inflation. DE Ministers have secured a number of amendments emphasising this and also the fact that action has to be related to the particular situation in each country. The Resolution is therefore generally acceptable in its present form, although the references to investment and to work sharing have a somewhat interventionist flavour. The UK also has considerable doubts about what a special Council might be able to achieve. On the other hand, the call for priority to be given to young people's training is consistent with current UK policy and will be helpful in the negotiations on the forthcoming review of the Social Fund. The reference to the importance of small and medium-sized enterprises is also welcome.

Department of Employment  
18 June 1982

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PROVISIONAL VERSIONCOUNCIL RESOLUTION ON COMMUNITY ACTION TO  
COMBAT UNEMPLOYMENT

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the conclusions of the various meetings of the European Council, and in particular of the meeting on 29 and 30 March 1982, concerning employment,

Having regard to the conclusions of the Council meeting of 11 June 1981 composed of the Ministers for Economic Affairs and Finance and Ministers for Labour and Social Affairs,

Having regard to the Commission's contribution concerning a "Community action programme to combat unemployment",

Considering the conclusions drawn by the Presidency following the meeting of the Standing Committee on Employment on 27 April 1982 devoted to examination of the problems of unemployment in the Community on the basis of the aforementioned Commission document, the importance of which was emphasized,

Convinced of the need to take concerted action, both at Community level and nationally, to combat unemployment and to restore economic growth in a situation of monetary stability, while continuing the fight against inflation and ensuring the competitiveness of Community undertakings, and in the hope that such an approach may also contribute to the achievement of improved convergence of the Member State's economic policies

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Convinced of the need to continue or to undertake within this framework specific action at Community level on employment

Recalling its Resolution of 27 May 1982 on the promotion of equal opportunity for women

Convinced that it is essential for both sides of industry, within the framework of their autonomy and of their responsibilities, to contribute to the achievement of the objective of the fight against unemployment and that efforts should be continued to improve the dialogue between and with both sides of industry at Community level.

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HEREBY ADOPTS THIS RESOLUTION:

The Council reiterates its grave concern at the persistently high level of unemployment, particularly among young people, which is creating an intolerable situation.

It considers that private and public productive investment should be promoted so as to strengthen the competitive capacity of undertakings, encourage economic growth and raise employment.

Measures by Member States with regard to private and public investment, to be carried out in accordance with the situation prevailing in each country, should take account of the repercussions on employment, particularly in the private sector and ensure that such measures do not lead to an unacceptable increase in budget deficits.



The Council notes certain priority areas for investment suggested by the Commission in its aforementioned contribution.

Without prejudice to the importance the Community attaches to the measures taken to help the least-favoured regions, particular attention should also be given to those regions most affected by unemployment, by effective and consistent use of the appropriate Community instruments.

The Council considers that it is important that labour market policies be oriented in such a way as to ensure the availability of an adequate and appropriately qualified labour force.

The Council considers that, in addition to the problems of investment rationalization, the industrial restructuring programmes must simultaneously give particular attention to the employment problems. National and Community authorities and both sides of industry should encourage geographical and occupational mobility. The latter could include the redeployment of workers affected by the restructuring measures, so that such workers are able to take up jobs made available in sectors which are creating employment.

It considers that the possibilities should be examined for promoting the development potential of small and medium-sized undertakings, which are a source of innovation and hence a factor for creating employment, by providing them, in particular, with appropriate assistance in areas such as training, know-how, information and access to credit, with a view to making them more competitive on the market.

It stresses its interest in the job-creation process, which is also apparent in local initiatives and co-operatives and requests the Commission to submit the results of its research and its thoughts on the matter to it so that it can assess the contribution of such initiatives to creating employment.

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The Council stresses the priority which the Community must give to vocational training for young people. It has noted that the Commission intends to submit proposals to it shortly for measures aiming to ensure that all young people coming onto the labour market, and particularly school leavers, receive vocational training and initial work experience, if necessary under special programmes or contracts of employment.

Such measures should be compatible with the measures to integrate young people into the labour market and with other special measures, particularly those to help the long-term unemployed, and should fit into the general framework of the strategy to be implemented to combat unemployment as a whole.

Given the potential value of experiments into and measures on the adaptation and sharing of working time with a view to more flexible use of production resources and improving the employment situation, the Council also considers that, following the initial proposals made by the Commission for implementing the Council Resolution of 18 December 1979 on the adaptation of working time, the dialogue with and between both sides of industry regarding the number of working hours must now be continued within the framework outlined in the Resolution. It notes that the Commission is to submit a memorandum on the matter to it before the end of 1982.

The Council notes that the Commission intends to promote better functioning and transparency of the labour market and to discourage obstacles to its effective operation with the participation of public authorities, employers and labour, in order to ensure that the proposed job-creation measures are successful and to facilitate implementation of the necessary training measures, in particular by developing forward-looking management of the labour market, local labour market intelligence and by improving employment services.

It requests the Commission to submit to the Council, taking account of this Resolution, appropriate proposals or communications as part of a co-ordinated Community approach to combatting unemployment, which could be submitted in the second half of this year to a special Council meeting, as suggested by the European Council at its last meeting, and which could be the subject of prior consultation with both sides of industry in the Standing Committee on Employment, taking into account the latter's areas of competence.

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