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Subject: EU can create 11 million jobs by 2010, say researchers

[IMAGE]

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'EUROPE CAN CREATE 11 MILLION JOBS BY 2010', SAY RESEARCHERS

EU countries can achieve a dramatic increase in employment within just three years, say Danish researchers, provided that they work together and co-ordinate policy.

The researchers conclude that by 2005 Europe could create an extra four million jobs - and by 2010 the number could be as great as 11 million.

Education and investment in care for children and the elderly are central elements of the strategy assessed by Denmark's Economic Council of the Labour Movement.

The Council carried out its analysis at the request of Poul Nyrup Rasmussen, Leader of the Danish Social Democrats and former Danish Prime Minister. The full text of the research report is available on the Party website - www.pes.org

The Party of European Socialists, chaired by Robin Cook, earlier invited Mr Rasmussen to spearhead its follow-up strategy to the so-called Lisbon Process under which EU leaders aspire to make Europe the world's most competitive and dynamic knowledge-based society.

The three-strong research team - Thomas Pedersen, Anita Vium and Lars Andersen - calculated the effects of an employment package both for Europe as a whole and, as an example, for Spain alone.

They say: 'A comparison of the effects of employment and prosperity in the two cases illustrates the positive, dynamic effects that would be created if all European countries united to implement the Lisbon Process rather than this being carried out solely by individual countries.'

The employment package they use contains investments in education, more workforce participation of women and older people, a stronger active labour market policy and strengthened business policy focused on increased competition and innovation, liberalisation and easier access to capital.

Increased spending on education to halve the gap between the EU average of 4.8 per cent of GDP and the Swedish level of 6.2 per cent would increase the number of

students by between 800,000 and 900,000. Although this would create a short-term labour shortage, say the researchers, there would be a long-term gain as a better-educated population lands better jobs with more pay.

Better public services for childcare and care of the elderly - with an increase in the number of carers of 1.5 million by 2010 - will allow more women to have jobs.

The report declares: 'A purposeful effort designed to increase the rate of employment with the help of some of the means presented in the Lisbon Process would have a great effect. As early as 2005, employment will have increased by four million and by 2010 the employment package will have created more than 11 million extra jobs. This corresponds to an increase in the rate of employment of more than four percentage points.'

A higher rate of employment will ease public budgets, says the report, so that by 2010, education and care commitments will amount to only 0.3 per cent of GDP.

The researchers stress: 'The greatest benefits can be achieved through a co-ordinated implementation of the employment package throughout Europe. If only a minority of member states implements the package, the effect in the individual countries will be correspondingly lower.'

'The reason for this is that Europe is an economic entity. Investments in employment in one European country will therefore also have a positive influence on employment in other European countries.'

Using Spain as an example, the researchers calculated that co-ordinated EU action would create 1,050,000 jobs by 2010. The effect of co-ordination at EU level was to step up Spanish prosperity by 1.2 per cent and create an extra 150,000 jobs over the period.

Mr Rasmussen is now working on further recommendations to be put to the Social Democratic Summit in Seville on the eve of the next EU Council meeting.

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