

## POLICY CHALLENGE 5: MANAGING UNEMPLOYMENT

- Universal Basic Income is a hotly debated topic. It is often assumed to have many beneficial side-effects, but it has many critics across the political spectrum who fear that its proponents presupposes a lot of intrinsic motivation and creativity.
- There is a mismatch between jobs and the skilled labor force in several countries but the proposed strategies to overcome it diverge

The effects of intensely varied levels of unemployment across EU countries following the 2008 economic crisis reflect some of the more traditional and deeply rooted cleavages across the Union.

### Urgency is a matter of perspective...or is it?

For some member states unemployment is possibly the most pressing and urgent policy and political challenge, demanding short-term solutions. For others it is a challenge only in the context of the long-term economic transformation of societies as a consequence of digitalization and the changing nature of work.

The urgency of the issue in the social and economic national agenda, has an **immediate effect on the design of policies** to tackle unemployment and the possible role of the EU therein. Yet, this offers Europeans an opportunity - to constructively combine both short- and long-term thinking in designing policies to tackle unemployment in the future, broadening our understanding of the causes and drivers of employment and unemployment:

An example is the need to evaluate unemployment benefits under the lens of active policies - e.g. coaching and training – combined, or in alternative to, passive policies – i.e. unemployment subsidies - was discussed.

The Members of Parliament engaged in a stimulating discussion on the moral debates surrounding unemployment schemes, for instance

on the adequacy or inadequacy of prompting unemployed workers to take up positions for which they would be over-qualified or the need for the state to create state-sponsored jobs matching the qualifications of unemployed workers.

### An idea for Europe? - "We should tackle brain drain and youth unemployment at the EU level!"

A series of imaginative solutions at the EU level were discussed, such as the need to include an assessment among EU member states of their social welfare policies and spending - including unemployment schemes- to make youth unemployment an EU level competence and to establish mechanisms to monitor (and control?) unemployment at the European level, for instance by creating a **"Common European Management Policy to Fight Unemployment"**, which would establish unemployment criteria to be respected by Member States. It remained a matter of debate whether these standards would be similarly hard to enforce as the EU's budgetary rules.

“

*I believe UBI is dangerous because it assumes a lot of initiative to find worthwhile projects to pursue - it may sound nice for us here around the table but it might not be as attractive a concept for other people.*

*We are faced with a moral dilemma - force people to take jobs or create state-sponsored skilled jobs?*

”



Kristian Weise is the Director of the progressive Danish think tank CEVEA since 2011. He has an extensive record as a consultant and advisor on growth, employment and financial policies, having worked for Poul Nyrup Rasmussen, the International Trade Union Confederation, and later for the Danish Trade Union. In 2010, he became Secretary of the Social Democratic Party in the European Parliament. Kristian Weise is member of the World Bank's Research Alliance for Development and has studied economics and political sociology in Copenhagen and London.

