

United Kingdom

Employment Action Plan



Updated March 1998



G8 EMPLOYMENT ACTION PLAN

Foreword

This Action Plan sets out the employment policies and programmes of the UK Government. At the London "Growth, Employability and Inclusion" Conference on 21-22 February it was agreed that the G8 countries would each present Action Plans showing how each country is turning into practice the 7 principles agreed at London to generate new job opportunities to tackle unemployment and exclusion. The 7 London principles are highlighted overleaf.

The Plan sets out the Government's employment strategy in a broad context. A sound macro-economic climate is crucially important for employment. Prudent monetary and fiscal policies will allow us to maximise employment growth and avoid the perils of regular boom and bust cycles. But macro-economic stability alone cannot solve the problems of unemployment and exclusion. We need to continue the structural reform of our labour, product and capital markets. We need to provide the conditions in which businesses can flourish and prosper, to promote a culture of entrepreneurship and harness the potential for small and medium-sized enterprises in particular to create jobs. We need both to ensure decent minimum standards protection for employees and to avoid the imposition of unnecessary costs on business, which can damage both their competitiveness and their ability to create jobs. Tax and benefit systems need to be reformed to encourage, not discourage, work. And we need to ensure that young people acquire the basic skills and education they need to prepare them for the world of work and active citizenship.

Through initiatives like the New Deal, the Government is helping the young and long-term unemployed into work and we are developing strategies to help those outside the labour market to connect with it. We are also promoting a culture of lifelong learning to ensure people have the skills and qualifications that they need in the fast-changing labour markets of the 21st century. By reforming the tax and benefit system, and introducing the Working Families Tax Credit, we are ensuring that work pays, and by improving work incentives we are encouraging people to reenter the labour force.

At the domestic level we are working with a wide range of partners, including the CBI and TUC to develop and deliver many of the programmes and initiatives outlined in this UK Employment Action Plan, and we will be reviewing the Plan to ensure that it continues to address the key challenges confronting our labour market and society. We will be working with our colleagues throughout the European Union and G8 to ensure that the joint aims of creating jobs and tackling unemployment and exclusion are fulfilled.

GORDON BROWN
Chancellor of the Exchequer

DAVID BLUNKETT
Secretary of State for
Education and
Employment

THE 7 LONDON PRINCIPLES AGREED AT THE G8 CONFERENCE “GROWTH, EMPLOYABILITY AND INCLUSION”

The G8 conference on “Growth, Inclusion and Employability” agreed to recommend the following 7 principles to generate new job opportunities and tackle unemployment and exclusion:-

- **sound macro-economic policies conducive to sustained non-inflationary growth and employment;**
- **structural reforms where needed in our labour, capital and product markets to facilitate employment growth, including promoting more effective products and capital markets, tackling barriers arising from inappropriate taxation or regulatory frameworks, especially those that affect small and medium-sized enterprises, and promoting an adaptable, efficient and equitable working time arrangements and work organisation;**
- **fostering entrepreneurship and creating an economic climate favourable to SMEs, in particular new businesses, including through better access to venture capital;**
- **enhancing employment, education or training opportunities for young people and adults with the aim of preventing their becoming long term unemployed and measures for groups such as lone parents and disabled people;**
- **reforming tax/benefit systems to foster growth and employment and to enable and encourage those people who are unemployed or excluded from the labour market to look actively for work and find suitable employment, while protecting vulnerable groups. The successful transition from welfare to work will require a sustained commitment to active labour market policies, including training and**

vocational guidance, and to addressing the underlying reasons for exclusion from the labour market;

- **enabling and encouraging people to learn throughout their working life - lifelong learning - to develop their knowledge and skills and to improve their employability;**
- **promoting equal opportunities and combatting discrimination for all workers.**

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