

EUROPEAN FILE

The social policy
of the European
Community:
looking ahead to 1992

The end of 1992: that is the deadline set for the completion of the large internal European market. Will the Europe without national frontiers also be a Community as far as social affairs are concerned? The stakes are high because this is a question directly affecting 320 million people. Support for the creation of a 'European social area' is being voiced more and more frequently. The European Commission itself recently reiterated the prime importance, for economic and social cohesion, of improving living and working conditions and promoting a high level of employment. The completion of the internal market equally implies greater freedom for people to move from one member country to another, creating the conditions for successful adaptation to the changes which increasing European integration will inevitably entail, and intensifying dialogue between the social partners.¹

The development of the European Community's social policy should therefore enter a new stage. Before looking at its characteristics and objectives, it may be useful to summarize briefly the course that has been followed over the past 30 years.

The first stages of European social policy

From the very inception of the Community, the Treaty of Rome (1957) numbered among its explicit objectives the improvement of living and working conditions. However, the few social provisions the Treaty contains are an insufficient foundation for a comprehensive policy. At the time, it was primarily through the actual functioning of the common market that a certain harmonization was expected in the development of the different national social systems. None the less, the Treaty includes provisions concerning:

- Equal treatment for men and women, a principle invoked mainly in order to avoid social distortions which impede free competition.
- Social security of migrants, a necessary corollary of the free movement of workers instituted by the Treaty.
- Vocational training, for which a series of general principles was subsequently adopted as a guideline for the various national policies.
- The creation of a Social Fund, the function of which was initially limited to reimbursing Member States for part of their expenditure on retraining the unemployed and on the resettlement and income maintenance of those who had to find new employment. In the coal and steel sectors, covered by the ECSC Treaty, European social aid to facilitate restructuring commenced at the beginning of the 1950s.

At the beginning of the 1970s, this minimalist conception of the Community's social role seemed out of date; it was no longer believed that economic mechanisms

¹ This file replaces No 8/86.

automatically generated social progress and full employment. In October 1972, the Heads of State or Government of the Member States therefore invited the Community institutions, following consultation with the social partners, to draw up a social action programme. This was approved by a resolution in 1974. Some 40 priority actions were singled out. They had to contribute to the achievement of three major objectives: full and better employment, improved living and working conditions, and participation of workers and social partners.

Full and improved employment.

- Social Fund. This has been remodelled on two occasions, in 1972 and 1984. It is now financed by the Community's own resources and is open to requests from both private and public bodies. Its procedures have been improved and aid from it is subject to Community criteria being met. In the 1970s the priority task of the Fund was to alleviate friction created by Community policies (for example, by supporting the retraining of workers from the textile industry or agriculture) and to combat structural unemployment, particularly in regions that were slow to develop or in economic decline. From 1978 onwards, aid for the recruitment or employment of young people was added to the Fund's traditional help for vocational training. In 1984 a new reform of the Fund reserved 75 % of its resources for young people under 25 years of age; in addition, the most disadvantaged regions are guaranteed 40 % of appropriations (44,5 % after the enlargement of the Community to include Spain and Portugal). A new system of advances enables projects to be financed as soon as a decision is made to grant assistance. The operation of the Fund is therefore more flexible and its effectiveness in the face of mounting unemployment is increased. However, with an allocation of 3 100 million ECU¹ in 1987, the Fund is not capable by itself of solving the unemployment problem which currently affects 16 million workers in the Community of Twelve.
- Employment policy. Although this remains the responsibility of Member States and is still therefore outside the scope of the Community, a start has been made on concerting national policies. There have been exchanges of information and experiences and resolutions have been adopted, dealing in particular with flexibility of retirement age, fighting long-term unemployment, the contribution of local employment-creation initiatives to the struggle against unemployment, and an action programme for increased employment.
- Vocational training. A European Centre for the Development of Vocational Training was established in Berlin to improve and harmonize levels of training. Community resolutions covered general guidelines for vocational

¹ 1 ECU (European currency unit) = about £0.66, Ir £0.78 or US \$1.2 (at exchange rates current on 1 June 1988).

training, combining training with work experience, training for new technologies, and the preparation of young people for work. This delicate stage was the subject of a series of pilot projects carried out with the support of the Social Fund and, in 1987, of an action programme for the training and preparation of young people for their working life.

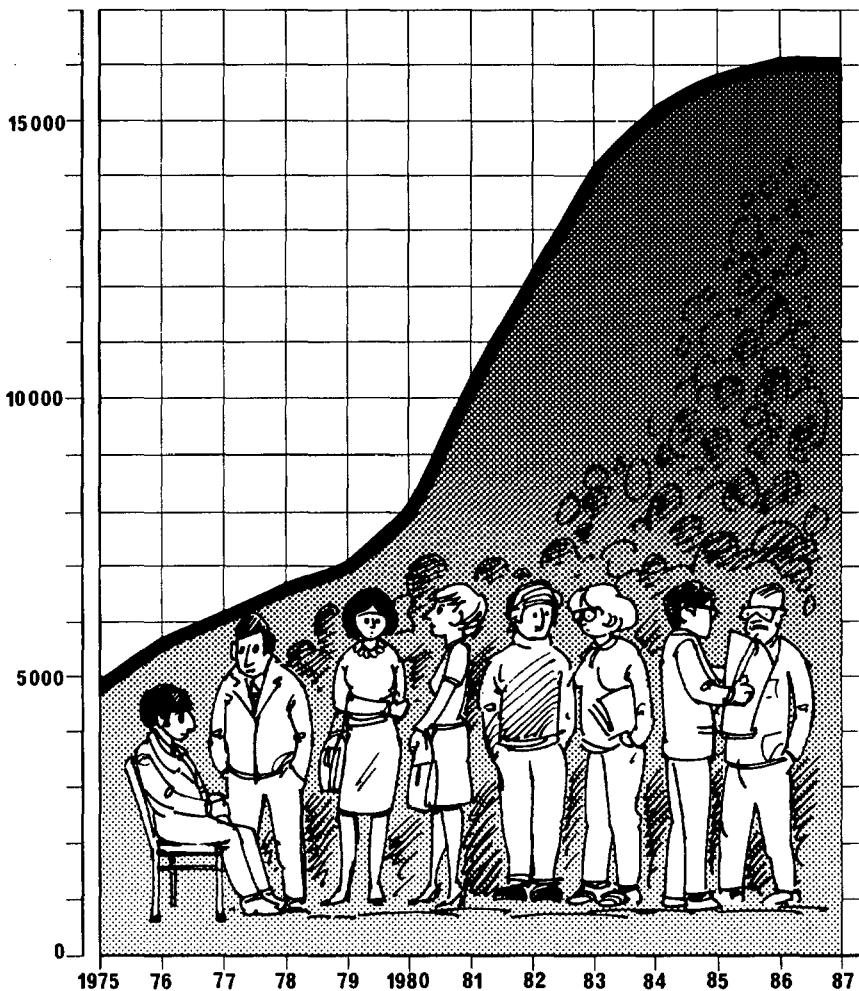
Improving living and working conditions.

- Health. Provisions to protect the safety and health of workers in certain sectors (such as coal, steel, nuclear energy and road haulage) were followed by others after the adoption of an action programme in 1978. A series of Directives on health problems limits dangers from noise and the use of certain materials (lead, asbestos, cadmium, etc.). Specific provisions have been adopted to help handicapped people. A European action programme to fight cancer was launched just recently.
- Equality between men and women. Several Directives enshrine the principle of equality in remuneration, in access to employment, vocational training and promotion, in working conditions and in social security. In addition, action programmes have been implemented, which put increasing emphasis on positive action to promote equality in practice.
- The economic interests of workers and worker participation. Community Directives offer a certain protection to workers threatened by collective redundancies, company take-overs or employer insolvency. Provision is made for consultation procedures; in the case of a take-over, acquired rights are protected in the case of bankruptcy or legal settlement, expert bodies must guarantee the payment of salaries due. Until now, however, the Member States have been unable to agree on information, consultation or participation of workers in multinational companies or on a European 'public limited liability company' status.
- Working conditions. In 1976, a European Foundation for the Improvement of Living and Working Conditions was established in Dublin. The previous year, a Community resolution called on the Member States to introduce the 40-hour week and four weeks' paid holiday. In the face of mounting unemployment, the Community subsequently considered the implications of a reorganization of working time and a better distribution of existing employment; the social partners were asked to examine the question. A recommendation on flexibility of retirement age has been adopted, but the European Commission's proposals to protect part-time and temporary workers are still awaiting a decision by the Council of Ministers.
- Migrant workers. A specific action programme was initiated to promote equal treatment and the integration of workers and their families.

The participation of workers and social partners. As mentioned above, various provisions either adopted or drafted provide for the information and consultation of workers in businesses. As for the participation of the social partners in

Unemployment in the Community of Twelve

(in thousands of persons)



Source: 15th Report on the activities of the Social Fund, Eurostat estimates.

the economic and social decisions of the Community, this is organized on several levels. The Community's Economic and Social Committee, composed of representatives of employers, workers and other interest groups, delivers opinions on numerous proposals submitted by the Commission to the European Parliament and the Council of Ministers; it may also express opinions on its own initiative. Before the Commission adopts its point of view, it frequently consults the numerous consultative committees of experts established over the years (dealing with vocational training, freedom of movement, health problems, the iron and steel industry, sea fishing, etc.). For several years, a Standing Committee on Employment has allowed for direct dialogue between the social partners, the Ministers for Labour and the Commission. Finally, since 1985, the Commission has revitalized the social dialogue between employers and workers in the framework of what is generally known as the 'Val Duchesse dialogue'.

During these years, the social policy of the Community has made indisputable progress. However, as the economic environment has deteriorated, the unwieldiness of the decision-making procedures, generally based on the unanimity rule, and the diversity of living standards and social traditions in the different Member States – grown from six to 12 – have often constrained, scaled down, and even prevented intended harmonizations: witness the fate of proposed directives on work flexibility and worker consultation.

1992: towards a European social space

The time has come for new progress. Between now and 1992, the Community is mobilizing itself around the grand project to complete the internal market without frontiers. This is intended to ensure total freedom of movement between the Member States for people, goods, services and capital. In conjunction with greater convergence in national economic policies, the realization of this objective should liberate the forces for growth which are present in Europe and thereby help in the fight against unemployment. It needs to be accompanied by measures which are social in the widest sense.

- The large market demands above all more effective economic and social cohesion, so that all regions and all social categories benefit from the dynamism it creates. To this end, the European Commission will continue to call for the convergence of national economic and social policies. At the beginning of 1988, it was already able to convince the Heads of State or Government of the need for a remodelling of the Community's structural Funds and for a doubling, between now and 1993, of their budgetary allocation. In their new form, these Community financial instruments will pursue five major objectives: development of structurally backward regions, redevelopment of regions in industrial decline, fighting long-term unemployment, assistance for the recruitment of young people, and adaptation of agricultural structures. The Social Fund will contribute to these different objectives by concentrating its efforts on regions in difficulty, on the long-term unemployed and on young people who have not yet got a job. The Community will continue to stimulate and support national initiatives through

supplementary financing. However, it will become involved at the formulation stage of various employment policies and its contribution will increasingly be made within programmes in which all partners and all available resources are integrated, for the sake of coherence. A multiannual programme will avoid the dispersal of assistance among multiple small projects, while quality criteria will enable encouragement to be given to the most innovatory measures.

- The large market should not open the door to unfair competition based on the exploitation of workers. The Single European Act amending the Treaty of Rome therefore provides that the Council of Ministers may adopt by a qualified majority – and no longer by unanimous vote – minimal social requirements to promote improvement of the working environment, and particularly the safety and health of workers. The participation of the European Parliament in the drawing up of such measures has been strengthened. Moreover, there is nothing to stop a particular Member State from maintaining more exacting requirements.

This is the context in which the Commission has defined a new programme on safety, hygiene and health in the workplace and, following Directives already adopted on health matters, has submitted new proposals at the beginning of 1988, dealing with safety issues. These proposals concern in particular the arrangement of the workplace, conditions for the use of work equipment, safety equipment, the handling of heavy loads, and the characteristics of visual display screens, which are increasingly used in offices and workshops. The fact that the requirements are minimal does not imply that it is a case of 'lowest common denominators'. On the contrary, such requirements are based on the most advanced model (otherwise, they would be politically useless). The ambitious nature of these texts explains why a delay of five years is allowed for their implementation.

- Contractual policy must remain the basis for the European social model. The Commission therefore argues in favour of developing the social dialogue to allow better management of the diversity and flexibility of situations. The Single Act already mentioned stipulates that 'the Commission will try to develop the social dialogue between social partners at European level, which could result, should the social partners consider it desirable, in contractual relations'. The road to collective European framework conventions is therefore open. At the end of 1985, a meeting between the Commission and representatives of workers and employers enabled two working groups to be set up: the first was given the task of examining the macro-economic problems posed by the implementation of a European cooperative strategy for growth and employment, the second was charged with looking into the problems posed at the micro-economic level, particularly by the introduction of new technologies. Joint opinions already issued on these matters have facilitated dialogue in greater depth, a dialogue which is still going on and which may be further enlarged in scope. Out of this process has emerged the idea of drawing up a 'European social charter' to define a set of fundamental social rights, on the basis of which further negotiations could take place.

In February 1988, in a position paper on the 'development of the Community's social policy', Mr Marin, European Commission Vice-President responsible for Social Affairs, discussed the possibilities for social policy in the framework of the internal market. This document, intended to open a large-scale debate between all interested parties, insists on the interdependence of economic and social policies and on intensified dialogue between the social partners and governments. Among the challenges noted are: problems posed by the need to increase employment and improve the quality of working life, the need to re-examine the means employed to ensure the future of systems of protection and social security, and the social implications of the completion of the internal market. The last involves the elimination of certain obstacles to the movement of workers, adaptation of labour market and training policies, consideration of social problems raised by the harmonization of technical standards and company law, and anticipation of and support for a series of social changes engendered or accelerated by the implementation of the large market.

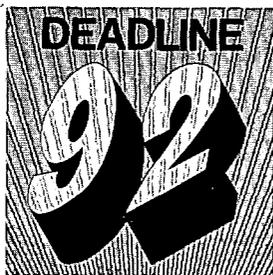
Mr Marin's document sets out several priority objectives:

- Promoting the improvement of living and working conditions. Two tasks appear to be central here: to implement the new action programme on health, safety and hygiene in the workplace and to take account of social problems, and in particular of safety and health matters, raised by the technical harmonization and standardization undertaken to complete the internal market.
- Ensuring conditions for the free movement and equal treatment of workers. The fight against discrimination must be stepped up and major efforts remain necessary to ensure the application of Community law. Labour mobility must be supported by the generalization of the right of residence, by the recognition of diplomas and the correspondence of qualifications by the development of Community exchange programmes such as Comett, Erasmus and 'Youth for Europe', and by the increasing interconnection of national labour markets, based in particular on an improvement in mutual information and cooperation between expert services.
- Preparing for a successful adaptation to the large market. The Commission's role in anticipation and information must be strengthened to benefit all potential users of information: economic, social and political agents. Initial and further vocational training has a fundamental role to play in supporting the completion of the large market. Therefore there should be swift implementation of measures recommended by the Commission for the correspondence of qualifications, training for new technologies, language learning and cooperation between training institutions and firms. Moreover, the institution of a series of elements of a European company law calls for the drawing up of rules for information, consultation and participation of workers: European Directives either adopted or proposed should be revised along these lines. There is a greater need than ever for effective measures to protect workers in a labour market which is becoming more flexible. The Commission is considering in particular the establishment of a standard form of work contract, which would cover all workers whatever their status.

- Reinforcing economic and social cohesion. The importance of bringing the structural Funds of the Community up to date has already been underlined. To this must be added specific social measures adopted or forecast as part of the redevelopment of iron and steel regions, shipyards, etc. The implementation of an action programme for growth and employment adopted in 1986 and the programme prepared by the Commission to fight against long-term unemployment are also of fundamental importance. Concurrently, the Commission will continue its activities in support of women as well as its initiatives to fight poverty. It also intends to concern itself with the elderly and with family policy. Furthermore, it will continue to examine problems of social security, while taking account of the development of European integration, and the financial and demographic problems facing Member States.

- Developing the dialogue between the social partners. Discussions going on in the area of the flexible organization of work should enable a new approach to be taken to texts already submitted on the question of temporary and part-time work. In cooperation with the social partners, the European Commission will continue its discussions aimed at drawing up a body of minimal social provisions to supplement those which already exist. The Community will support social dialogue at all levels, fostering it on a sectoral level where necessary. This should involve not only examining the way dialogue is organized among representatives at different levels – general and sectoral, European and national, etc. – but also gradually translating the results of the dialogue into Community law.

Reflection and debate on the development of social policy in the context of 1992 should dwell not only on the various priorities for a social policy, but also on the most appropriate ways of ensuring the success of proposed activities. The relationship between cooperation of the social partners and legislative action pose fundamental questions in this regard. Another factor is worth taking into consideration: against a backdrop of widely diversified national policies and situations, Community action may take different forms, varying from a leading role (mainly the harmonization of legislation), to that of instigator (through financial transfers, adoption of resolutions, etc.), or of guide (where the Community acts as the channel for information exchanges between Member States). As Community social policy does not aim to unify each and every European social law and practice, the whole problem is to pick out the priorities for joint action and to select – or combine – the methods which will ensure, on a case-by-case basis, the optimal efficiency and coherence of social policies as we approach the large market of 1992 ■



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