

# INFORMATION

S O C I A L P O L I C Y

PARTICIPATION AND INDUSTRIAL DEMOCRACY

51/73 D

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The EEC Commission has approved and sent to the Council of Ministers a Social Action Programme, as requested by the Paris Summit Conference in October 1972. Participation and industrial democracy is one of the three priority themes of the Programme.

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PARTICIPATION AND INDUSTRIAL DEMOCRACY

A. INTRODUCTION

The Paris Summit Conference of the Heads of State or Government, held in October 1972, decided that the Community should adopt a comprehensive Social Action Programme by 1st January 1973. The leaders of the Nine "emphasised that they attached as much importance to vigorous action in the social field as to the achievement of economic and monetary union". They added that "economic expansion is not an end in itself. Its firm aim should be to enable disparities in living conditions to be reduced. ... It should result in an improvement of the quality of life as well as in standards of living."

The EEC Commission, after extensive consultations with the member states, the European Parliament, the Economic and Social Committee, trade unions, employers and other interested parties, has submitted to the Council of Ministers for action by the end of 1973, proposals for a Social Action Programme.

The Commission's proposals consist of some 40 different actions, to be undertaken in 1974-76, aiming at:

- full and better employment
- improving living and working conditions
- giving trade unions and employers a greater say in the social and economic decision-making processes within the Community.

## B. THE COMMISSION'S POLICY

No proper Social Action Programme should or could be effectively prepared and implemented without the maximum consultation and participation of representatives of the trade unions and the employers. Indeed without such participation, no real improvement in the quality of life of the European Community is possible. An imposed Utopia, even if it were possible, would not respond to the needs of the European spirit, nor would it make for a happier society. Participation at all levels of decision-making must therefore be a basic principle in the creation of a European Social Community.

At the level of the enterprise, greater participation is needed, first and foremost to promote human dignity, but also to enable the enterprise to function effectively as a team and to cope with the challenge of competitive pressures and technological and social change. The rapid pace of change and the increasing size of firms, including the development of multi-national companies, are producing growing social and industrial alienation. This, apart from being objectionable from a social point of view, is adversely affecting industrial efficiency. In all the member States, the future development of company structure and industrial relations is being actively debated and in some countries substantial improvements have already been achieved.

In all cases, the objective is to promote better human and industrial relations by:

- i the extension of basic democratic rights to the level of the enterprise;
- ii an increase in the availability of economic and social information for workers and their representatives;
- iii associating workers and their representatives in economic and social decisions taken at different levels of the enterprise.

The Commission reiterates its view that a strong and well-equipped European trade union movement is an essential pre-condition to social progress in the Community.

### C. THE COMMISSION'S PROPOSALS

The Commission has already made proposals about worker participation. They are embodied in the draft Statute for the European company and in the draft of the 5th Directive on the harmonisation of company law. These proposals are being discussed in the consultative and representative institutions of the Community. The Commission hopes that conclusions will be reached as soon as possible on this subject which is of growing importance to the Community.

An important instrument for promoting industrial democracy and participation exists in the mixed or joint committees, of which at present there are seven (coal, steel, agriculture, road transport, inland waterways, railways and sea fishing). The Commission proposes to extend these to all sectors where the social partners are willing. Sectors such as sea transport, textiles, construction, ship-building, the food industry, ports and docks, air transport and commercial travellers seem obvious choices.

Where appropriate these joint committees could be used to prepare collective framework agreements on a Community-wide basis. The Commission is in any case ready, if the trade unions and employers wish it, to help with information and technical assistance in the practical preparation of negotiations. (The Commission has completed a Community index of collective agreements in 13 branches of industry.) But the Commission has no intention of interfering in the independence of employers and trade unions in collective bargaining, except at the request of both parties.

The Commission believes that the Standing Committee on Employment should be used as the principal forum for discussing employment questions. The Commission will, as a member of the Committee, shortly present suggestions to improve its working methods.

Job insecurity is today a potent and evident cause of industrial unrest and suspicion. The Commission proposes that the Council adopt a directive on collective dismissals as a matter of urgency. The Commission also envisages the immediate submission of a regulation on the protection of the rights of workers in the case of international mergers. In the case of national mergers provisions for agreements between management and workers have already been proposed in the third directive on company law.

In order to improve the dialogue between trade unions and employers and to enable the trade unions to take full advantage of the opportunities presented to them by the move towards greater participation, the Commission proposes the establishment of an independent but Community-financed European Trade Union Institute.

Finally, the Commission intends to work out with the European representatives of the trade unions and employers, before the end of 1973, how the latter could participate more fully in the Commission's work in all fields of policy.

#### D. CONCLUSION

Such are the Commission's proposals. It is now up to the Council of Ministers to act on them. If the Council is to respect the deadline laid down by the Paris Summit, it must adopt the Social Action Programme by 1st January 1974.