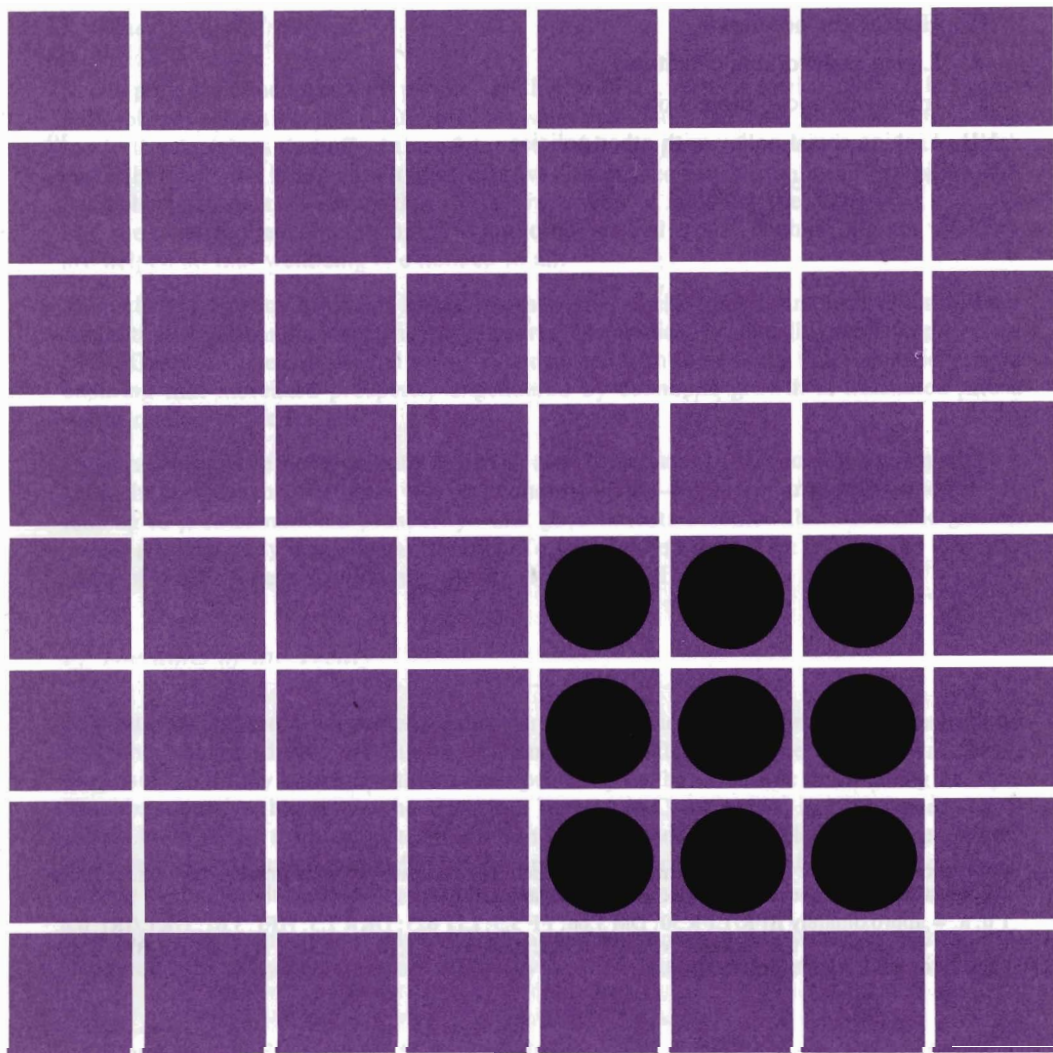


# The European Community's social policy



**EUROPEAN  
DOCUMENTATION**

Periodical

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For reasons of accuracy it has been necessary to use three separate currency units in this text: units of account (u. a.), European units of account (Eua) and US-dollars.

1 u. a. = approximately BFR/LFR 50; DM 3,66; FF 5,5; LIT 625; DKR 7,5; HFL 3,62; UKL/IRL 0,4.  
1 Eua is expressed as the sum of DM 0,828; UKL 0,0885; FF 1,15; LIT 109; HFL 0,286; BFR 3,66;  
LFR 0,14; DKR 0,217; IRL 0,00759.

Manuscript finished in January 1978.

# The European Community's social policy

## Introduction: Why a Community social policy?

### 1. *What is social policy?*

Social policy is concerned with people and their welfare. In their working lives it has to do with job opportunities, safety at work, job satisfaction and the right of workers to have a say in the decisions that affect their future. Outside the place of work it is concerned with better housing and living conditions, improved social security and cultural amenities. Social policy also seeks to ensure that all sectors of society, including the very young and very old, the handicapped, the unemployed and other special groups such as migrant workers, are helped so that wellbeing is extended to all.

As such social policy is closely linked to other policy fields: environment and consumer protection, health and education and, of course, economics—especially on the employment front. Generally speaking social policy is concerned with the 'human face' of society, with ensuring that increased prosperity engendered by economic growth is translated into a better quality of life for all.

Only recently have governments begun to attach importance to social policy in its own right. In the past the emphasis was on economic goals—in particular greater productivity leading to greater national prosperity—and governments assumed that economic growth would automatically bring social benefits. To some extent they were right as the development of the European Community clearly demonstrated.

### 2. *The aims of the Treaty*



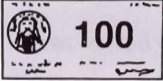


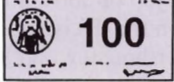


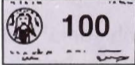


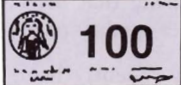


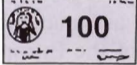


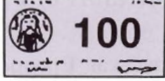
In post-war Europe most governments were preoccupied with economic reconstruction and when the founders of the European Community drafted the Rome Treaty it was hardly surprising that they addressed themselves primarily to the economic tasks facing Europe. The six countries that set up the European Economic Community<sup>1</sup> in 1958 agreed that it would have as its main aim the promotion of a 'harmonious development of economic activities, a continuous and balanced expansion, an increase in stability, an accelerated raising of the standard of living and closer relations between the States belonging to it'.

The Six in fact achieved an unparalleled rate of economic growth which brought unprecedented prosperity and transformed the lives of the majority of Community citizens.

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<sup>1</sup> The original 'Six' EEC Member States were Belgium, France, the Federal Republic of Germany, Italy, Luxembourg and the Netherlands.

They were joined in 1972 by Denmark, Ireland and the United Kingdom and became the 'Nine'.

|                    |       |   | <b>GROWING PROSPERITY</b>                             |   | <b>REAL WAGES*</b><br>(% increase)  |
|--------------------|-------|---|---|---|---|
|                    |       |   | <b>GNP PER HEAD</b><br>(\$ per year at market prices) |   |   |
|                    |       |   | 1958  | 1972  | 1958-72   |
| <b>Belgium</b>     | 1 154 |    | 3 351   |    | <br>93    |
| <b>France</b>      | 1 196 |    | 3 489   |    | <br>109   |
| <b>Germany</b>     | 1 096 |    | 3 840   |    | <br>79    |
| <b>Italy</b>       | 612   |    | 2 008   |    | <br>121   |
| <b>Luxembourg</b>  | 1 402 |    | 3 255   |   | <br>75    |
| <b>Netherlands</b> | 845   |  | 3 193   |  | <br>106 |

\* Increase of gross hourly earnings of workers in industry  
October/October, in real terms

Source: E.E.C.

During the boom years that characterized the first decade of Community development, action on the social front was regarded as complementary to the economic task of creating a common market. Indeed the social policy provisions of the EEC Treaty (Articles 117-128) were valued essentially as a means of ensuring that distortion of competition did not arise in the common labour market as a result of Member States maintaining different social systems.

### The economic achievement of the Six

|             | GNP per head <sup>1</sup> |         | Real wages <sup>2</sup> |
|-------------|---------------------------|---------|-------------------------|
|             | 1958                      | 1972    | % increase 1958-72      |
| Belgium     | 1 154                     | 3 351   | 93%                     |
| France      | 1 196                     | 3 489   | 109%                    |
| Germany     | 1 096                     | 3 840   | 79%                     |
| Italy       | 612                       | 2 008   | 121%                    |
| Luxembourg  | 1 402                     | (3 255) | 75%                     |
| Netherlands | 845                       | 3 193   | 106%                    |

<sup>1</sup> \$ per year at market prices.

<sup>2</sup> Increase of gross hourly earnings of workers in industry October/October, in real terms.

Source: EEC.

Compared with the provisions dealing with the creation of the Customs Union or even introduction of common agricultural and transport policies, the section of the Treaty of Rome concerned with social policy was somewhat limited in scope. Although highly innovative in the sense that it recognized the need for Community action on the social front, the EEC Treaty nevertheless stopped short of providing for a full scale Community social policy. There were, for example, no powers or instruments in the Treaty to deal with such important problems as housing or unemployment although provision was made for the Community financing of retraining grants and resettlement allowances from the Social Fund.

The signatories agreed (Article 117) upon the need 'to promote improved working conditions and an improved standard of living for workers' but believed that such a development would ensue automatically from the 'functioning of the common market' which would favour the upward convergence of standards of living in the Six.

Article 118 entrusted the European Commission with the task of promoting close cooperation between Member States in certain social policy sectors (employment, labour law and working conditions, vocational training, social security, occupational hygiene, etc.) while in Article 119 the signatories agreed to apply the principle that men and women should receive equal pay for equal work. But there is little doubt that the main concern of those who drafted the Treaty was to ensure that social provisions were sufficiently harmonized throughout the Community to prevent disparate national measures favouring one country's industry against that of another.

The same approach applied to Treaty rules governing the free movement of workers (Articles 48-51). Provisions concerning the coordination of social measures affecting migrant workers and their dependants, and the abolition of discrimination based on nationality, were inspired as much by the need to create a common labour market as by the desire to improve the lot of migrant workers.

It is true, of course, that the Rome Treaty provided for the creation of a Social Fund (Articles 123-128) to improve employment opportunities for workers in the common market and to contribute thereby to raising the standard of living', but as we shall see, a fund dedicated in the main to increasing the geographical and occupational mobility of workers, represented a fairly limited tool of social improvement.

Things were somewhat better in the coal and steel sectors. The European Coal and Steel Community (ECSC), set up in 1952 under the Treaty of Paris with the task of integrating the coal and steel industries of the Six, attached considerable importance to the welfare of workers in these sectors (see page 7 below). On the whole, however, social policy in the 1950s and '60s remained the 'Cinderella' of common Community policies.

### *3. The social consequences of integration*

Towards the end of the 1960s it became increasingly apparent that economic growth in itself had not solved all the Community's social problems and in many cases had actually created new ones.

Although overall levels of prosperity had increased tremendously, it was clear that some sectors and regions of the Community had been passed over in the general economic 'leap-forward'. The new wealth had not been distributed evenly, living and working conditions in many parts of the Community had not improved, women were still discriminated against, poverty had not been eradicated and migrant workers, upon whom the Community had become increasingly dependent to maintain its standard of living, continued to be treated in many instances as second-class citizens.

Problems created ranged from the environmental deterioration caused by increased industrial pollution, to the severe structural unemployment in some sectors brought about by the increased competition accompanying the dismantling of intra-Community tariff barriers and the integration of Members States' hitherto protected markets.

The end of the 1960s was also a time when the Member States began to think seriously in terms of eventual economic and monetary union (EMU) as a natural extension of European economic integration. The first Barre Plan,<sup>1</sup> a Commission memorandum submitted to the Council in February 1969, called for closer coordination of economic policies and monetary cooperation within the Community. The second Plan, submitted later the same year, envisaged a three-stage process leading to EMU and in February 1971 the Council of Ministers endorsed this, setting the date of 1980 for full economic and monetary union.

The Member States realized that after EMU—or even before—regional and structural policies would no longer be their exclusive domain and that the Community as such would have to acquire the instruments and financial resources to tackle problems like unemployment, regional development, inflation, etc. In other words, if a European economy was to emerge then there would be a need for European-level policies in other sectors. An effective Community social policy would be one of these policies.

Progress towards the achievement of economic and monetary union has been much slower than at first envisaged, but the need for greater EEC-level cooperation and integration on the social front has not disappeared.

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<sup>1</sup> Barre Plan, named after M. Raymond Barre, then Vice-President of the Commission and now Prime Minister of France.

#### *4. The need for a Community-level response*

The goal of economic and monetary union was not the only factor that convinced Community and Member States' leaders of the need for a Community-level response to problems in the social field. The problems engendered by unfettered economic expansion, the fact that Community prosperity had by-passed many, and an awareness of the growing conflict of values between industrial development and social advance convinced governments that steps would have to be taken to ensure an equitable distribution among all sectors of Community society of the social benefits accruing from the development and functioning of the Common Market.

Urgency was lent to this task when the Community was plunged along with the rest of the world into the recession which followed hard on the heels of the oil crisis of the winter of 1973/4. As the European economy went into reverse unemployment rocketed and inflation began to mount. For the first time since the creation of the Common Market real standards of living began to fall and member governments began to realize the advantages of working together to combat the recession and the economic and social problems it had produced.

Member governments also began to appreciate that a Community-level approach to social policy need not supplant the individual policies of the Member States—indeed in many respects it could complement and support them. In short a Community social policy could:

- support the policies of the Member States with funds from the Community budget;
- co-ordinate national policies without imposing uniformity;
- act as a catalyst to bring about new ideas and techniques;
- organize the exchange of information so as to allow Member States to make use of the experience of their partners;
- ensure the integration of national efforts within an overall framework of benefit to the Community as a whole;
- initiate common policies on problems such as unemployment or the welfare of migrant workers which can be tackled more effectively at Community level.

### **I. The early years**

#### *1. The ECSC experience*

Stemming from a move to bring European coal and steel production under a joint High Authority (and thus remove these two basic 'war industries' from national control), the European Coal and Steel Community (ECSC) developed into much more than a 'peace formula' for post-war Europe; it became the basis for the creation of a common market in coal and steel and as such was vested with far-reaching powers to supervise market activities—including rationalization and readaptation within these two sectors.

A specific aim of the ECSC Treaty was (Article 3) to 'promote improved working conditions and an improved standard of living for the workers' in both the coal and steel indus-

## ECSC HOUSING SCHEMES

Financing of the eight normal and the three experimental ECSC low-cost housing schemes

(situation at 31 December 1976)

\* Additional funds mobilized at the Commission's instigation

|                            | Total cost of construction and modernization |                |               |       | Total aid (million u. a.) |                |               |                |
|----------------------------|--|----------------|---------------|-------|---------------------------|----------------|---------------|----------------|
|                            |  |                |               |       | Commission funds          |                | Additional *  |                |
|                            | Own resources                                | Borrowed funds | Other sources | Total | Own resources             | Borrowed funds | Other sources | Total          |
| Germany                    | 1 216.3                                      |                |               |       | 69.3                      | 13.2           | 147.4         | 986.4          |
| France                     | 303.6  |                |               |       | 38.3                      | 0.4            | 18.0          | 246.9          |
| Italy                      | 91.8   |                |               |       | 20.2                      | 12.0           | 11.2          | 48.4           |
| Belgium                    | 87.6   |                |               |       | 8.8                       | 23.0           | 2.3           | 53.4           |
| Netherlands                | 67.6   |                |               |       | 8.1                       | 2.1            | 8.1           | 49.2           |
| United Kingdom             | 29.9   |                |               |       | 8.0                       |                |               | 21.9           |
| Luxembourg                 | 21.5   |                |               |       | 3.6                       | 1.7            | 3.4           | 12.9           |
| Denmark                    | 9.2  |                |               |       | 1.5                       |                | 0.8           | 6.9            |
| Ireland                    | 2.8  |                |               |       | 0.8                       |                | 0.8           | 1.2            |
| <b>TOTAL (rounded off)</b> | <b>1 830.3</b>                               |                |               |       | <b>158.5</b>              | <b>52.5</b>    | <b>192.0</b>  | <b>1 427.4</b> |



tries and in fact the ECSC High Authority (superceded in 1967 by the European Commission) attached the greatest importance to the interests of the workers in coal and iron-ore mining and in the iron foundaries and steel works of the Member States.

In line with the ECSC's common coal and steel market aims, the High Authority established the right of workers to move freely within the Community while retaining all social security benefits. But the Treaty also went much further than this:

- Article 46 empowered the High Authority 'to take part . . . in studying the possibilities for re-employing, in existing industries or through the creation of new activities, workers made redundant by market development or technical change'. The same article gave the High Authority the right to obtain the information necessary to 'assess the possibilities for improving working conditions and living standards for workers in the industries within its province, and the threats to these standards'.
- Article 55 called on the High Authority to promote research relating to occupational safety in the coal and steel industries while Article 56 dealt with possible unemployment problems caused by the introduction of new technical processes or equipment. In such an event the High Authority was empowered by the Treaty to finance job creation programmes and to provide non-repayable aid towards tideover and resettlement allowances for workers and the financing of vocational retraining for workers having to leave the coal or steel sectors. By the end of 1976, ECSC credits to aid readaptation of workers had reached the impressive total of over 290 million Eua. The number of workers helped was over half a million (see table below).
- Article 68 contained provisions designed to ensure that coal and steel undertakings within the Community paid acceptable wages to their workers.

The High Authority also took the lead in promoting and financing housing programmes for workers in the two industries (see page 37) and generally laid the foundations of a common social policy—albeit one limited to the coal and steel sectors.

























The ECSC of course still operates and its activities in the social field continue unabated.

#### Readaptation of workers (ECSC credits, 1952-1976)

|                                | Coal industry           |         | Iron and steel industry<br>and iron-ore mining |         | Total                   |         |
|--------------------------------|-------------------------|---------|--|---------|-------------------------|---------|
|                                | Appropriations<br>(EUA) | Workers | Appropriations<br>(EUA)                        | Workers | Appropriations<br>(EUA) | Workers |
| Belgium                        | 25 666 692.32           | 87 508  | 3 472 973.15                                   | 11 391  | 29 139 665.47           | 98 899  |
| Federal Republic<br>of Germany | 109 462 979.75          | 270 687 | 5 087 736.48                                   | 44 404  | 114 550 716.43          | 315 091 |
| France                         | 49 692 326.10           | 39 743  | 9 167 038.92                                   | 26 376  | 58 859 365.02           | 66 119  |
| Italy                          | 2 420 349.66            | 6 391   | 9 306 466.97                                   | 20 059  | 11 726 816.63           | 26 450  |
| Luxembourg                     | —                       | —       | 12 648.50                                      | 220     | 12 648.50               | 220     |
| Netherlands                    | 32 393 676.22           | 41 446  | 530 509.08                                     | 1 139   | 32 924 185.30           | 42 585  |
| United<br>Kingdom              | 34 913 428.26           | 20 721  | 7 964 820.99                                   | 14 692  | 42 878 249.25           | 35 413  |
| Total                          | 254 549 454.31          | 466 496 | 35 542 204.09                                  | 118 281 | 290 191 658.40          | 584 777 |

## READAPTATION OF WORKERS

ECSC credits 1952-1976

|                | COAL INDUSTRY   |   | IRON AND STEEL INDUSTRY<br>AND IRON-ORE MINING   |   |
|----------------|---|---|--|---|
| Belgium        | <br>25.7   | <br>87 508   | <br>3.5   | <br>11 391   |
| Germany        | <br>109.5  | <br>270 687  | <br>5.1   | <br>44 404   |
| France         | <br>49.7   | <br>39 743   | <br>9.2   | <br>26 376   |
| Italy          | <br>2.4    | <br>6 391    | <br>9.3   | <br>20 059   |
| Luxembourg     |   |   | 0.013  | 220   |
| Netherlands    | <br>32.4  | <br>41 446  | <br>0.53 | <br>1 139    |
| United Kingdom | <br>34.9 | <br>20 721 | <br>8.0 | <br>14 692 |
| <b>TOTAL</b>   | 254.5*  | 466 496   | 35.5*  | 584 777   |



*Appropriations (million EUA)*



*Workers*

\* rounded off

## 2. *The first Social Fund*

Although, as we have seen, the initial objectives of the EEC were primarily economic and commercial, there was provision in the Rome Treaty (Articles 123-128) for the creation of a European Social Fund—a fund whose main task was to increase the geographical and occupational mobility of workers or, as the Treaty put it, ‘to improve employment opportunities for workers in the common market and to contribute thereby to raising the standard of living’.

As an instrument of social policy the first Social Fund went into operation in 1960 and began to play a part in ensuring that particular sectors of Community society were not adversely affected by economic developments arising from the implementation of common EEC policies.

As originally constituted, however, the Social Fund was little more than a passive ‘clearing house’ for money spent by Member States on retraining and resettling workers made redundant as a result of economic and industrial readjustments within the Community. The Fund considered vocational retraining and resettlement projects submitted by the Member States and could then reimburse up to half the cost of these projects.

In practice, however, the Fund tended to benefit those Member States whose governments were most adept at claiming reimbursements rather than those with the greatest unemployment and structural unemployment problems. For example, by 1972 Germany had received more than half the total grants made by the Fund even though it consistently had low unemployment. This was because the German government was more efficient at filing its claims and because reimbursement of training costs depended upon workers having been re-employed—a relatively easy condition to fulfil in booming Germany. Italy, on the other hand, with high unemployment, fared extremely badly under the old Fund while France appeared to be the main paymaster in the scheme.

All in all, the first Social Fund did not serve as a particularly dynamic instrument of employment policy. It could only provide funds retrospectively and this aid was conditional on workers remaining in their jobs for at least six months. Moreover, only government bodies could request aid and private undertakings were not eligible to submit claims.

Nevertheless, between its creation and the end of 1973, the first Social Fund helped more than one and a half million workers in the Community with grants totalling over 326 million units of account.

## 3. *The New Social Fund*

Aware of the shortcomings of the first Social Fund, the European Commission began preparations in the late 1960s for the introduction of a new Fund. The Commission’s proposals for reform were accepted by the Council of Ministers in 1971 and the New Social Fund went into operation on 1 May, 1972.

The New Fund was planned as a more flexible and active element of Community social and employment policy: more *flexible* because it was able to select projects on the basis of policy criteria established at Community level rather than those selected by Member State governments, and more *active* than the old Fund because it no longer operated as a retro-

spective clearing house for Member States' spending in the social sector. In other words the Fund could decide in advance how its resources were to be spent and could ensure that financial support was allocated where the need was greatest. Furthermore, under the new Fund, both private and public bodies could submit applications for financial assistance.

The new Fund also had considerably more money at its disposal than the old one. In the first two years of the new Fund's operations alone a total of 440.5 million units of account were spent compared with a total of 264 million u.a. allocated by the first Fund throughout the period 1960-1972.

Of considerable importance too was the fact that the new Fund was now financed from the Community's own resources, rather than by direct contributions from the Member States. The tendency of Member States being reimbursed in proportion to their contributions was effectively reversed in the Fund; in fact 73 per cent of the 1976 allocations are estimated to have gone to the underdeveloped regions of the Community.

Following a decision taken by the Council of Ministers on 1 February 1971, financial support from the Fund could be provided under two main headings—Articles 4 and 5.

— Under *Article 4* the Fund could provide aid when Community policies affected (or threatened to affect) the level of development or when action was required to coordinate supply and demand on the EEC labour market. Such aid could only be allocated if it appeared that existing or foreseeable imbalances in the employment field were on a scale to justify Community intervention—for example, where large numbers of workers in a particular sector were obliged to change jobs, acquire new qualifications or move their homes within the Community. Moreover, aid could only be granted following specific decisions by the Council.

So far eligibility for Article 4 assistance has been agreed for the following:

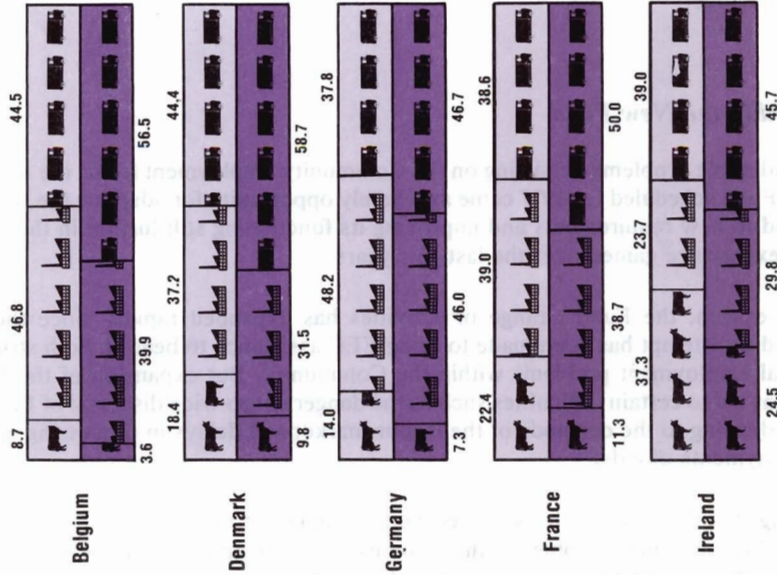
- retraining of workers leaving agriculture to take up employment in other sectors;
- retraining of workers leaving the textile and clothing industries or changing jobs within these industries;
- retraining and integration programmes for migrant workers and their families;
- pilot schemes for retraining handicapped workers;
- young people under 25 who are either unemployed or seeking work;
- women.



— Under *Article 5*, intervention by the Fund was not specifically linked with decisions of the Council but was intended to correct unsatisfactory employment situations in the Community—notably in backward or declining regions and in industry sectors affected by technical progress. Fund assistance is granted particularly to reduce unemployment or underemployment of a long term structural nature.

Other special categories are also eligible for aid under Article 5. These include:

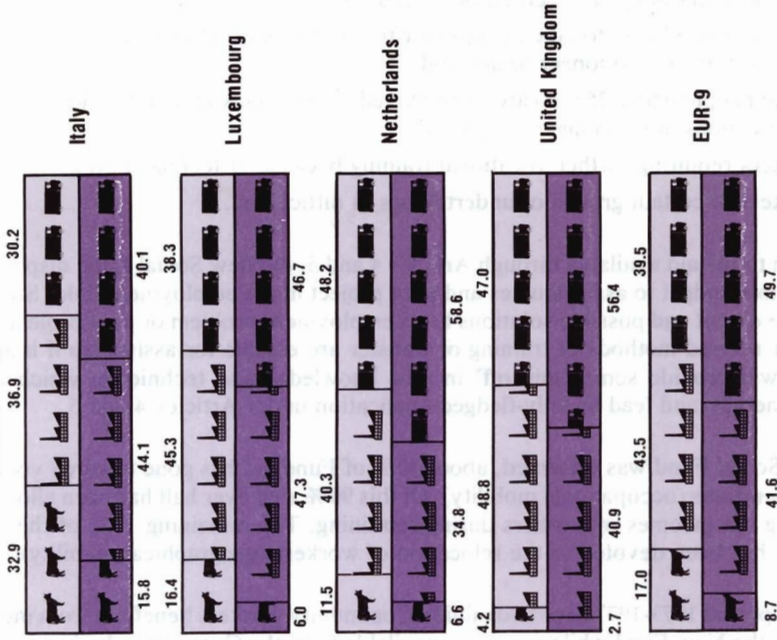
- handicapped persons able to pursue a profession or trade after medical rehabilitation, vocational training or retraining. Assistance here is limited to schemes that will enable handicapped persons to find jobs in the open labour market rather than sheltered employment;




# CIVILIAN EMPLOYMENT (by sectors as % of total)



 Agriculture, forestry, fishing  
 Industry: mining, energy supply, manufacturing, construction

 1960  
 1975



 Agriculture, forestry, fishing  
 Industry: mining, energy supply, manufacturing, construction  
 Services: transport, trades, insurance, banking, public administration, other services

- older workers obliged to retrain or to find a new job (usually workers over 50);
- women over 35 who to take up a job for the first time or whose qualifications after a lapse of time are no longer in demand;
- young people under 25 who are unemployed through lack of qualifications, or whose qualifications are no longer in demand;
- workers requiring further vocational training because of technical progress;
- workers in certain groups of undertakings in difficulties.

In addition to the aid available through Articles 4 and 5, the new Social Fund disposes of a small, flexible budget to assist studies and pilot project in the employment field. Studies to identify the extent and possible solutions to an employment problem or pilot projects to try out new or revised methods of training or transfer are eligible for assistance if it appears that they will provide some 'spin off' in new knowledge and techniques which can be applied generally and lead to fully-fledged application under Articles 4 and 5.

Since the Social Fund was reformed, about 90% of Fund aid has gone towards vocational training operations (occupational mobility). Of this 90% well over half has been allocated to maintaining the incomes of workers during retraining. The remaining 10% of the Fund's allocations has been devoted to the relocation of workers (geographical mobility).

During the period 1973-1977 over two million Community workers benefited from measures assisted by the New Fund while resources available from the Community budget increased from 223 million u.a. in 1973 (the first full year of operation of the New Fund) EUA to 441 million u.a. in 1976. For 1978 a total of 568 million has been set aside for the Fund from the Community budget.

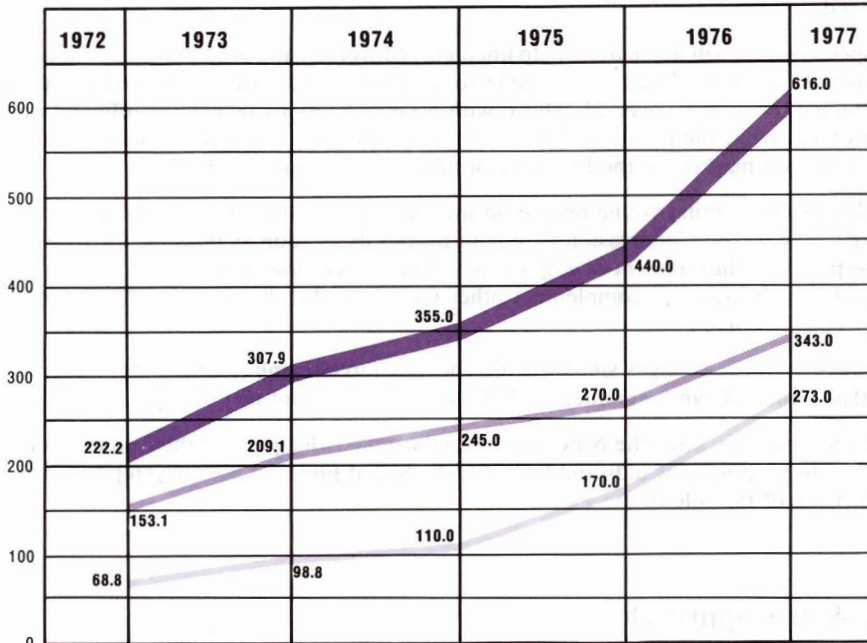
#### *4. Reforming the New Fund*

With considerable problems persisting on the Community employment front, the review of the Social Fund scheduled for 1977 came as a timely opportunity for adapting the workings of the Fund to new requirements and improving its functioning still further in the light of operating experience gained over the last five years.

As we have seen, the Fund's range of activities has expanded rapidly since the 1971 reforms and an attempt has been made to bring EEC assistance to bear on both structural and cyclical employment problems within the Community. But expansion of the Fund's activities has led to certain difficulties such as the danger of too-wide dispersal of Fund aid, delays in adjusting to the demands of the labour market and delays in processing applications and payments of aids.

Recognizing that the Fund with its limited budget could not be expected to solve all the Community's employment problems, the Commission drew up a number of proposals for reform of the New Fund and its implementing decisions and regulations intended to ensure that in future the Fund's resources would be concentrated to a greater degree on the neediest sectors and regions of the Community.

**EUROPEAN SOCIAL FUND**  
 Budgetary allocations (million u. a.)



- Social Fund Budget: total for operations under art. 4 + 5 of decision of 1 Feb. 1971*
- Operations under article 5*
- Operations under article 4*

These proposed amendments, submitted by the Commission in March 1977 and agreed by the Council of Ministers in December, entered into force in January 1978.

The change of emphasis in the Fund's use is being achieved in two ways. In future 50% of the Fund's resources will be set aside for projects within Article 5 designed to help alleviate employment problems in the Community's backward regions. At the same time these projects will be eligible for a higher rate of Fund intervention. Generally speaking the backward regions benefiting will be those also singled out for aid from the European Regional Fund (see page 40 below) which will enable the Community to bring both its main instruments of structural aid to bear in the areas that need it most.

Reviewing the need for aid to certain special categories of workers, Social Affairs Ministers agreed to continue aid for projects to help workers leaving the agricultural sector and for schemes to help migrant workers integrate in their host countries. Workers in the textile and clothing sector, too, will continue to receive aid towards retraining, as will the handicapped.

A special effort will be made to help unemployed women and Ministers have agreed that in future aid from the Fund be available to help offset the cost of vocational training and retraining for women over 25. Those with no qualifications or with insufficient qualifications will be eligible provided the women in question have lost their jobs or are trying to enter the job market for the first time or after a long break.

Problems confronting young people on the job front continue to loom large and the Nine have called on the Commission to submit proposals as soon as possible for a new type of aid—possibly the payment of employment premiums or the creation of new jobs by public authorities—which will complement other measures already taken by the Community to help young people.

To back up these changes steps will also be taken to streamline administrative procedures so that Fund aid can be granted with the minimum amount of 'red tape'.

For the first time, also, the Nine have formally acknowledged that the Commission should be free to propose new aids and tasks for the Social Fund—a positive step towards future expansion of the role of the Fund.

## **II. A new approach**

### *1. The Paris Summit*

The reform of the European Social Fund reflected a growing concern about the social achievements of Community development and an increased awareness of the need for a more active Community social policy.

The year before the creation of the new Fund, Community leaders, meeting at the Hague Summit Conference in December 1969 called—no doubt with one eye on future economic and monetary union—for closer coordination of Member States' social policies and recommended the institution of a European Social Budget.

Three years later at the pre-enlargement summit conference in Paris in October 1972, the Member States affirmed the need for more vigorous action in the social field. At the Paris Summit Community leaders recognized the need for the Community to be given a human face rather than the mercantilist one it was in danger of acquiring and the final communiqué stressed the importance of an effective social policy as an essential adjunct of economic and monetary integration. The communiqué stated:

'The heads of state and government emphasized that they attached as much importance to vigorous action in the social field as to the achievement of economic and monetary union. They thought it essential to ensure the increasing involvement of labour and management in the economic and social decisions of the Community.'



To this end the Nine called for an action programme to be drawn up by the end of the following year covering concrete steps to be taken in the social field and the provision of the necessary financial resources to back them—particularly within the framework of the Community's Social Fund. The Summit proclaimed:

'This programme should aim, in particular, at carrying out a coordinated policy for employment and vocational training, at improving working conditions and conditions of life, at closely involving workers in the progress of firms, at facilitating, on the basis of the situation in different countries, the conclusion of collective agreements at European level in appropriate fields and at strengthening and coordinating measures of consumer protection'.

To some extent the Paris Summit was a watershed for Community development. Not only did it mark its enlargement but it paved the way for a number of far reaching common policies in the industrial, social, regional, economic and environmental fields. Following the Summit there was a growing awareness of the need to create a common market for the common man. As Commissioner Albert Coppé put it at the time: 'Europe must now have something to say to its people. Every worker, student, citizen—including migrants, the handicapped and the aged—must feel that Europe is being created for and through him. That is the challenge of this decade'.

## *2. The Social Action Programme*

Rising to the challenge the Commission, now with Patrick Hillery at the social policy helm, submitted proposals for a Community social action programme in October 1973. The Commission had in fact been busy behind the scenes for some time preparing for just such a programme. In 1971 it had drawn up 'Preliminary Guidelines for a Community Social Policy Programme and in April 1973 had published 'Guidelines for a Social Action Programme'. These served as the basis for drafting the Social Action Programme which was submitted to the Nine accompanied by a draft resolution on the main objectives and actions listed in the programme.

The Council approved this resolution on 21 January 1974. Although the Nine did not include all the proposals that the Commission had hoped would feature in the Social Action Programme, they nevertheless undertook to adopt, in an initial stage running from 1974 to 1976, the measures needed to achieve the following three objectives:

- Full and better employment in the Community;
- Improved living and working conditions;
- Increased participation by both sides of industry in the economic and social decisions of the Community and of workers in the conduct of the firm.

The Nine also acknowledged the need for social objectives to be constantly kept in view when defining other Community policies so as to establish greater coherence between these and Community social policy.

In the January 1974 resolution approving the Social Action Programme the Council undertook to act on a series of priority proposals already submitted by the Commission and took note of the fact that the Commission would be submitting a further list of actions for rapid implementation.

The proposals already before the Council covered:

- assistance from the European Social Fund for migrant workers and handicapped workers<sup>1</sup>;
- an action programme for migrant workers in an open market economy;
- the setting up of a European General Industrial Safety Committee and the extension of the competence of the ECSC Mines Safety and Health Commission;
- a directive<sup>2</sup> to implement the principle of equal pay for equal work between men and women;
- the designation as an immediate objective of the overall application of the principle of the 40-hour week by 1975, and the principle of 4 weeks annual paid holiday by 1976;
- the setting up of a European Foundation for the improvement of living and working conditions;
- a directive harmonizing Member States' legislation on mass dismissals.

The additional priority proposals submitted by the Commission covered:

- a migrant worker action programme;
- the setting up of a European Centre for Vocational Training;
- a directive to protect workers' interests, especially their acquired rights, in the event of mergers and takeovers.

The programme also contained a series of proposals under the general headings of the three major social objectives approved by the Nine. These will be discussed elsewhere, as appropriate, in the brochure.

Before moving on to deal with the development of social policy in the Community since the adoption of the action programme it is perhaps worth bearing in mind a statement made by the Member States in the preamble to the January resolution. The Nine stated that 'the Community social policy has an individual role to play and should make an essential contribution to achieving (the programme's) objectives by means of Community measures or the definition by the Community of objectives for national social policies, without however seeking a standard solution to all social problems or attempting to transfer to Community level any responsibilities which are assumed more effectively at other levels'.

In other words the watchword for social policy in the Community was to be flexibility with the Nine taking action at Community level only where this was the most appropriate means of proceeding towards social objectives.

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<sup>1</sup> At that time the recently-created New Fund was unable to make grants from Article 4 to help these categories — see page 12.

<sup>2</sup> In implementation of the Rome Treaties, the Council and Commission issue regulations, directives, decisions, recommendations and opinions. *Regulations* are of general application, they are binding in every respect and have direct force of law in every Member State. *Directives* are binding on the Member States to which they are addressed as regards the result to be achieved, but leave the mode and means to the discretion of the national authorities. *Decisions* may be addressed either to a government or to an enterprise or private individual; they are binding in every respect on the party or parties named. *Recommendations* and *opinions* are not binding.

### III. An active employment policy

#### *1. Facing up to the recession*

An opportunity to see whether the Community could live up to the aim of full and better employment was offered fairly soon after the adoption of the action programme.

The spring of 1974 saw Europe plunged into a recession from which it is only just recovering three years later. The oil crisis of the winter of 1973/74, the oil price increases imposed by the oil exporters, and the global economic reaction to these events brought the European economy to a virtual standstill. Unemployment began to mount in the hardest-hit economies and it seemed as though the more idealistic aims of the Community—the creation of a human face, greater environmental protection, a better quality of life—might be forgotten in the general preoccupation with economic recovery.

The Community was soon faced with a massive upswing in cyclical unemployment (i.e. unemployment caused by the recession as opposed to the more long-term structural unemployment created by changing patterns of production) and by the end of 1974 almost 4 million people were out of work. Hardest hit sectors were the car, textile, clothing and building industries and among the categories of workers threatened by unemployment there was an increasing number of young and older workers, women and migrant workers, and unskilled labour.



























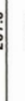

























Growing unemployment underlined the need for increased consultation between the Nine on their employment policies and better cooperation by national employment services. At Community level the Commission organized regular meetings of Member States' senior employment officials to review measures taken to improve the job situation and guide Community action in this field. Special efforts were made to improve the flow of information necessary for those shaping member countries' employment policies to identify problems and priorities, and both sides of industry were given an opportunity to make their views heard with the relaunching of the Standing Committee on Employment in February 1975.

The Standing Committee brings together representatives of both sides of European industry, the Member States and the European Commission and since resuming its activities has helped formulate measures to aid young workers and migrant workers and to improve the coordination of employment policies within the Community. The post-oil crisis period has also seen the holding of regular Tripartite Conferences at which Member States, Social and Finance Ministers and representatives of the European Commission can get together to discuss with employers' and workers' representatives problems facing the Community in the social and economic fields.

Recognizing the need to examine the possible repercussions of the energy crisis and the effects the recession would have on the Community, the Commission drew up and published a report in May 1974 drawing attention to potential long-term changes in patterns of production and their likely impact on employment. The Commission singled out sectors sensitive to the price of oil (such as car manufacturing and tourism) or those using petroleum products as raw materials (such as synthetic fibres) as likely to be the hardest hit

## UNEMPLOYMENT

Registered unemployed (in thousands) 1974, 1975, 1976 and 1977: average

|                       | 1974   | 1975  | 1976   | 1977  | DEC. 1977   |
|-----------------------|--|---|--|---|---|
| <b>Germany</b>        | <br>582.5 | <br>1 074.2 | <br>1 060.3 | <br>1 030.0  | <br>1 090.7  |
| <b>France</b>         | <br>497.7 | <br>839.7   | <br>933.5   | <br>1 071.8  | <br>1 144.9  |
| <b>Italy</b>          | <br>997.2 | <br>1 106.9 | <br>1 181.7 | <br>1 375.0* | <br>1 498.3* |
| <b>Netherlands</b>    | <br>134.9 | <br>195.3   | <br>210.8   | <br>203.5    | <br>216.0    |
| <b>Belgium</b>        | <br>124.1 | <br>207.8   | <br>266.6   | <br>307.6    | <br>334.2    |
| <b>Luxembourg</b>     | <br>0.057 | <br>0.264   | <br>0.457   | <br>0.821    | <br>1.291    |
| <b>United Kingdom</b> | <br>614.9 | <br>977.6   | <br>1 360.0 | <br>1 483.6  | <br>1 480.8  |
| <b>Ireland</b>        | <br>70.4  | <br>98.7    | <br>110.5   | <br>109.0    | <br>109.8    |
| <b>Denmark</b>        | <br>47.9  | <br>113.5   | <br>118.2   | <br>147.0    | <br>167.6    |
| <b>EUR-9</b>          | <br>3 070 | <br>4 614   | <br>5 242   | <br>5 728*   | <br>6 044*   |
|                       |  |  Men     |  Women    |   |   |

\* provisional

and stressed the role the Community could play—particularly the European Social Fund—to help threatened industries adapt to changing circumstances and provide new employment opportunities through training and retraining.

## *2. The Community response*

Tackling the cyclical unemployment caused by the economic downturn was primarily a matter for the Member States themselves for the main, direct Community instrument as regards employment was the Social Fund and this, despite the 1971 reforms, was mainly geared to correcting localized structural unemployment problems against a background of full employment.

Nevertheless, given the overall deterioration on the Community employment front, there was a need to adapt Community policy and Fund interventions to circumstances. Efforts have been made over the last three years to bring Community aid to bear on immediate employment problems while at the same time the long-term task of helping to correct structural imbalances and create job opportunities for disadvantaged sectors of the Community has continued.

Following proposals from the Commission, the Nine agreed in 1975 to extend the scope of assistance to special categories from the Social Fund to cover young people under 25 who were unemployed or seeking employment for the first time and to widen the the scope of Article 4 of the Fund to cover workers in the textiles and clothing industry.

In many respects the most significant measures the Community can take to influence employment trends lie outside the scope of labour market policy as such. Thus measures taken at Community level to help the Community's three major problem industries, steel, textiles and shipbuilding have a direct bearing on the labour market if jobs are saved.

## *3. Vocational training*

An important aspect of an active employment policy is the creation of new jobs. Just as important perhaps is the training or retraining of workers for jobs that are actually available. As we have already seen, both the EEC and the ECSC have played a considerable role in helping to retrain workers from declining sectors or from industries undergoing major structural changes.

Vocational training to enable workers to realize their full potential, as the Commission pointed out in the Social Action Programme, is a basic human need and right. 'Better training facilities', the Commission argued, 'will benefit industry in the Community in helping it to adapt more efficiently to a rapidly changing technological and market situation, while the provision of a trained labour force is essential for the successful development of the regions'.

In addition to the support for vocational training made available through Article 4 and 5 of the Social Fund, the Community has provided financial assistance for a series of pilot projects and studies mainly concerned with the integration of migrant workers, the readaptation of handicapped persons, training in the data-processing field, multi-skill training in certain sectors and the reintegration into employment of women aged over 35.

The Social Action Programme in fact calls for the implementation of a common vocational training policy and as an important step towards this the European Centre for the Development of Vocational Training was opened in Berlin in March 1977. The purpose of the Centre is to assist the Commission in encouraging, at Community level, the promotion and development of vocational training and continuous further training. Initial emphasis will be on vocational training to meet industry's requirements arising from technical progress, to provide better opportunities for migrant workers and improve opportunities for women. In July 1977 the Commission issued a recommendation to the Member States urging them to improve vocational preparation for young people who are unemployed or threatened with unemployment. Singled out for special attention were school leavers and young people in the unskilled workforce. Proposals on vocational training for women are in the pipeline.

Employment will in all probability remain the Community's number one priority and vocational training will continue to have a major role to play in ensuring that workers have every opportunity to fill jobs when and wherever they are created.

#### **IV. Helping the neediest**

The recession following the oil crisis, accompanied as it was by high rates of inflation, brought genuine hardship to many of the vulnerable sections of the Community population. Unskilled workers, the migrant labour force, older workers, school leavers and women bore the brunt of unemployment. Other non-active groups such as the handicapped, those already unemployed and the sick, also found themselves badly hit by accelerating price increases.

Fortunately the Social Action Programme had singled out a number of 'needy' sectors of the Community for help and proposals were not slow in coming.

##### *1. The young unemployed*

One of the most intransigent problems confronting the Community at the moment is the high level of unemployment among young people. When jobs are scarce the under-25s are among the first to suffer and school leavers often find it impossible to obtain a first job. All too often they are caught in a vicious circle: they can't get jobs until they have acquired experience but they can't get experience until they have found a job.

Youth unemployment in the Community has grown continuously since 1970, has doubled since the beginning of 1973 and in the spring of 1977 reached the alarming figure of 2 million. Nor is the immediate outlook particularly encouraging. The Commission expects the labour supply to increase by about 2 million between now and 1980 while at the same time there will be a fall in the number of those retiring—a scenario which is bound to mean fewer jobs for school leavers.

The Commission has diagnosed the problem as a structural one—the result of a growing divergence between the preparation and qualifications of young people entering the labour market and the kind of jobs available to them.

To try and remedy this situation the Commission, as already mentioned, sent a recommendation to the Member States in July 1977 urging them to promote vocational training for the under 25s. Target groups singled out for special attention were:

- minimum age school leavers (often those with no basic skills)
- young workers in unskilled employment
- young workers threatened with unemployment
- young people out of work

The Commission's recommendation called for the provision of vocational preparation including vocational guidance, practical initial training, practical experience of work and the development of certain basic skills such as reading and writing.

A similar step was taken in this direction by the nine Education Ministers when they agreed in November 1976 a resolution involving measures to improve the preparation of young people for working life and to facilitate their transition from school to work.

The Community can, of course, contribute to vocational training for young people. Since July, 1975, the Social Fund has allocated more than 280 million u.a. as aid to vocational training programmes for the young unemployed. But in the same period applications for assistance for such programmes totalled over 600 million u.a. Because of the shortage of resources the Commission gave priority to young persons seeking their first job.

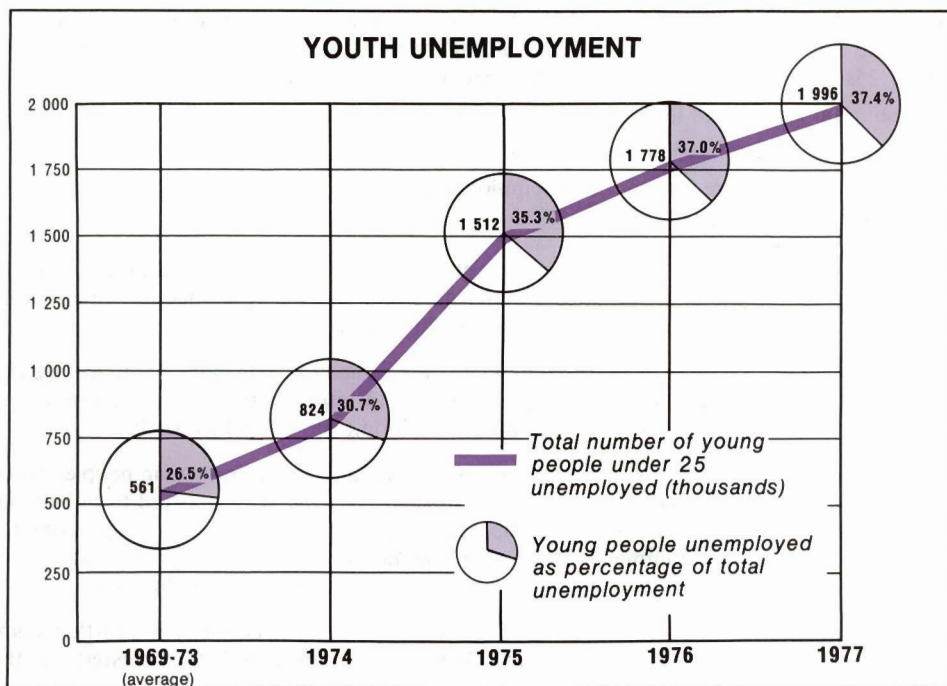
The Commission followed up its July, 1977, recommendation when it sent a further communication on youth unemployment to the Council in October, 1977. It suggested that the Council should envisage two types of action:

- the extension of financial assistance for young job-seekers either in the context of the Social Fund or otherwise;
- more general measures aimed at widening or increasing the commitment of Member States to the promotion of the employment of young people, with the assistance of the Commission.

In the first case, aid could be allocated either to support the development of certain Community policies, especially in the industrial field, or in labour market areas with particularly serious sectoral difficulties or a particularly high level of youth unemployment. The aid would be granted subject to specific conditions relating, for instance, to the carrying-out of Community projects in industry.

In the second case, there is particular potential for Community action. Community resources could be allocated to assist national programmes to create employment for the under-25s. The nature of programmes which could benefit from Community aid should be determined after consultation with the Member States on such points as the type of work given to the young as well as the aims and duration of the programmes. Public sectors which have pressing needs, according to the communication, include health, education, rural and urban development, and aid to the elderly.

To ensure the greater involvement of youth in the development of the Community, the Commission has supported the establishment of a temporary Youth Secretariat. This is preparing the way for the establishment of a permanent Youth Forum which will bring together representatives of major youth organizations throughout the Community who will be consulted on questions concerning youth employment, the operations of the Social



Fund, vocational training and guidance, exchanges of young workers, the involvement of young people in development aid programmes and in other questions of special interest to them.

The Member States share the Commission's belief that positive steps should be taken to create jobs for young people and at their meeting on 28 October 1977, Social Ministers called on the Commission to draw up proposals on aids to promote employment for young people.

## 2. Women

Women have been a particularly disadvantaged sector of Community society: discriminated against on the employment front, badly paid in comparison with their male colleagues and unfairly treated in many ways. Measures to improve their position have been long overdue.

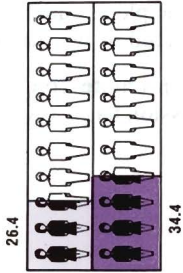
Although the Treaty of Rome laid down the principle of equal pay for men and women and set 1961 as a deadline for implementing this principle, governments dragged their feet and the Commission had to go so far as to threaten legal action against Member States which had not obeyed the Treaty.

Following the enlargement of the Community in 1973 and the adoption of the Social Action Programme the Nine agreed a directive on equal pay designed to close any remaining loopholes and ensure the Community-wide application of the equal principle. This directive came into force in February, 1976.

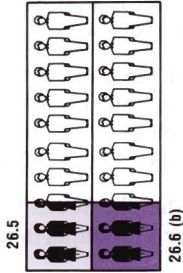


# FEMALE EMPLOYMENT

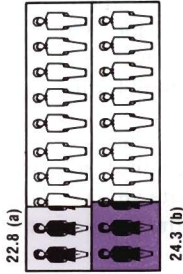
as % of total employment



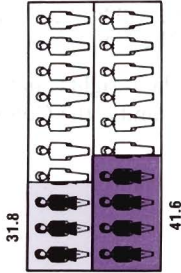
**Belgium**



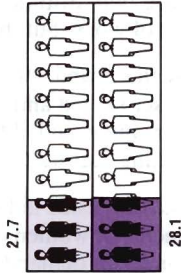
**Ireland**



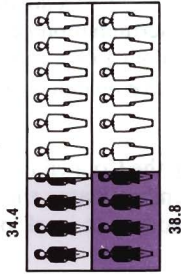
**Netherlands**



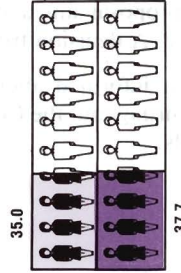
**Denmark**



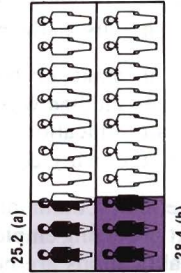
**Italy**



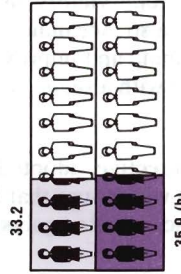
**United Kingdom**



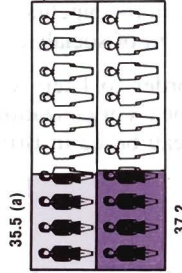
**Germany**



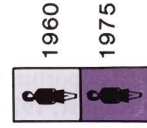
**Luxembourg**



**EUR-9**



**France**



(a) Community sample survey on labour force

(b) estimated

But equal pay was only one victory in the fight to end discrimination against women. Recognizing that women also face indirect discrimination getting a job, winning promotion, obtaining vocational training and improving their job prospects, the Commission followed up its equal pay directive with a second directive on equal treatment for men and women at work.

This equal opportunity directive, adopted by the Council in December 1975, will come into force in August, 1978. It will ensure that Member States eliminate all legal and administrative measures which discriminate against women at work on the basis of sex, marital or family status.

Under the terms of these two directives, a woman who feels she is being discriminated against can have recourse to legal action and, if she does so, she is protected from victimization by her employer.

Unfortunately statutory measures by themselves can only partially achieve the objective of equal treatment. They need to be backed up by a whole range of other measures in the educational, welfare and social fields to ensure that attitudes towards women are changed and their status improved, not just in the place of work, but throughout society as a whole.

All too often women—who make up between 35 and 40% of the Community working population—find themselves saddled with lesser skilled and lower paid jobs. Lack of vocational guidance, inadequate education and training and difficulties presented by family responsibilities are among the many contributing factors to this sorry state of affairs.

To try and improve matters the Community has set aside aid within the Social Fund to help finance schemes aimed at providing employment for women over 35 wanting to re-enter the job market or whose qualifications are no longer in demand.

It goes without saying, of course, that women are also eligible for all schemes financed by the Social Fund. Given the special problems they face, however, special help is necessary and the Commission recently submitted new proposals singling out women over 25 for Fund financed vocational training. Further vocational training proposals geared to women's needs are in the pipeline.

Also in the pipeline is a proposal aimed at implementing the principle of equal treatment in matters of social security. A decision from the Council is expected in the future.

In order to keep women informed about their rights and to promote contact between women's organizations throughout the Community, the Commission has set up a Women's Bureau based in Brussels.

### *3. Migrant workers*

The free movement of workers is one of the basic Community principles and it is small wonder that workers, especially those from the poorer regions of the Community have taken advantage of this right to seek jobs away from their own countries. There are now some 5.5 million migrant workers in the Community three quarters of whom are from third countries.

| MIGRANT WORKERS | Foreign workers as % of total civilian employees |      |
|-----------------|--|------|
|                 | 1960   | 1975 |
| Belgium         |  |      |
| Denmark         |  |      |
| Germany         |  |      |
| France          |  |      |
| Ireland         |  |      |
| Italy           | 0.0  |      |
| Luxembourg      |  |      |
| Netherlands     |  |      |
| United Kingdom  |  |      |
| EUR-9           |  |      |

(a) excluding workers from the Nordic labour market  
 (b) estimated  
 (c) approved working permits; excluding workers from the UK and Commonwealth  
 (d) includes workers from the Commonwealth  
 + independent and self-employed foreign workers

While intra-Community migrants and their families have fairly well defined rights established and guaranteed by the Treaties, third country migrants are in an extremely vulnerable position. All of them lack full political rights in the Community. They are often, as unskilled workers, forced to accept the worst-paid, most dangerous or dulllest jobs as well as poor housing and educational facilities. Although the Community's prosperity has depended to a considerable extent on their efforts, they are its second class citizens.

The Social Action Programme recognized the need to improve the lot of migrant workers in general and third country migrants in particular and under the section dealing with the attainment of full and better employment in the Community stressed the need to draw up an action programme for migrant workers and their families geared in particular to:

- improving the conditions of free movement within the Community of workers from Member States including social security and the social infrastructure—the latter being an 'indispensible condition for solving the specific problems of migrants workers and members of their families, specialized problems of reception, housing, social services, training and education of children';
- humanising the free movement of Community workers and members of their families by providing effective assistance;
- achieving equality of treatment for Community and non-Community workers and their families in respect of living and working conditions, wages and economic rights.

As a first step to helping migrants the Nine agreed in June 1974 that the Social Fund should be used to help finance retraining and integration programmes for migrant workers. This was followed up by proposals from the Commission for an action programme for migrants and their families adopted by the Nine in December 1975.

The action programme called for a wide range of measures to deal with vocational and language training, social security, housing, social services, education of migrant children, economic and political rights, etc.

One of the main objectives of the programme is the progressive elimination of all discrimination against non-Community migrants. Another objective of the programme is the extension of civic, political, and trade union rights to migrants.

Since the adoption of the action programme a number of specific proposals have been drawn up and adopted covering education of migrant workers' children and the extension of trade union rights of Community migrants. There is also a proposal for the payment of family benefits to workers the members of whose family reside in a Member State other than the country of employment.

Steps have also been taken to coordinate the various national policies towards immigration from non-Community countries.

#### *4. The handicapped*

The need to involve the handicapped in society as a whole and to integrate them fully into the working life of the Community is one of the top priorities of the Social Action Programme.

There are an estimated 10 million handicapped people in the Community and although handicapped physically or mentally—either from birth or through accident or illness—all

want to lead as normal a life as possible. Given the necessary help and facilities, the vast majority are capable of carrying out ordinary jobs and making a useful contribution to society. The Community has made helping them to do so one of its main tasks.

Soon after the Social Action Programme was adopted, the nine Social Affairs Ministers approved a Commission proposal setting aside assistance from Article 4 of the Social Fund to help finance pilot schemes for retraining handicapped workers. The handicapped are also eligible for aid under Article 5—notably to finance vocational training that will enable them to find normal jobs in the open labour market.

At the same time as they opened up Article 4 for pilot schemes, the Nine agreed an initial action programme to improve general vocational training schemes for handicapped workers to enable them to take up ordinary jobs. A long-term programme for the social integration of the handicapped is now being prepared. It will cover vocational training and special employment facilities, special housing and social service assistance and will be complemented by the coordination of Member States' actions in this field.

### *5. The poor*

Despite increased prosperity and widespread social security there are still many people living in poverty in the Community, not only in the poorer regions but also in the large cities. Although their exact number can only be guessed at, all need help whether they are old people unable to survive on pensions, single parent families or men and women whose education or environment have prevented them from sharing in the growing prosperity.

The Community has begun its contribution to the task of eradicating poverty in Europe with the inauguration of a programme of pilot schemes aimed at testing and developing new methods of helping the poor and those threatened with poverty and at improving understanding of the nature, causes, scope and mechanics of poverty.

By itself this programme of pilot schemes cannot hope to eliminate poverty but as an important research and development exercise it should yield information which will guide policy at all levels in the Community and help Member States take more effective action to eliminate the deprivation which still persists despite the economic progress of the last three decades.

Altogether around 20 schemes are being supported with funds totalling over 5 million units of account.

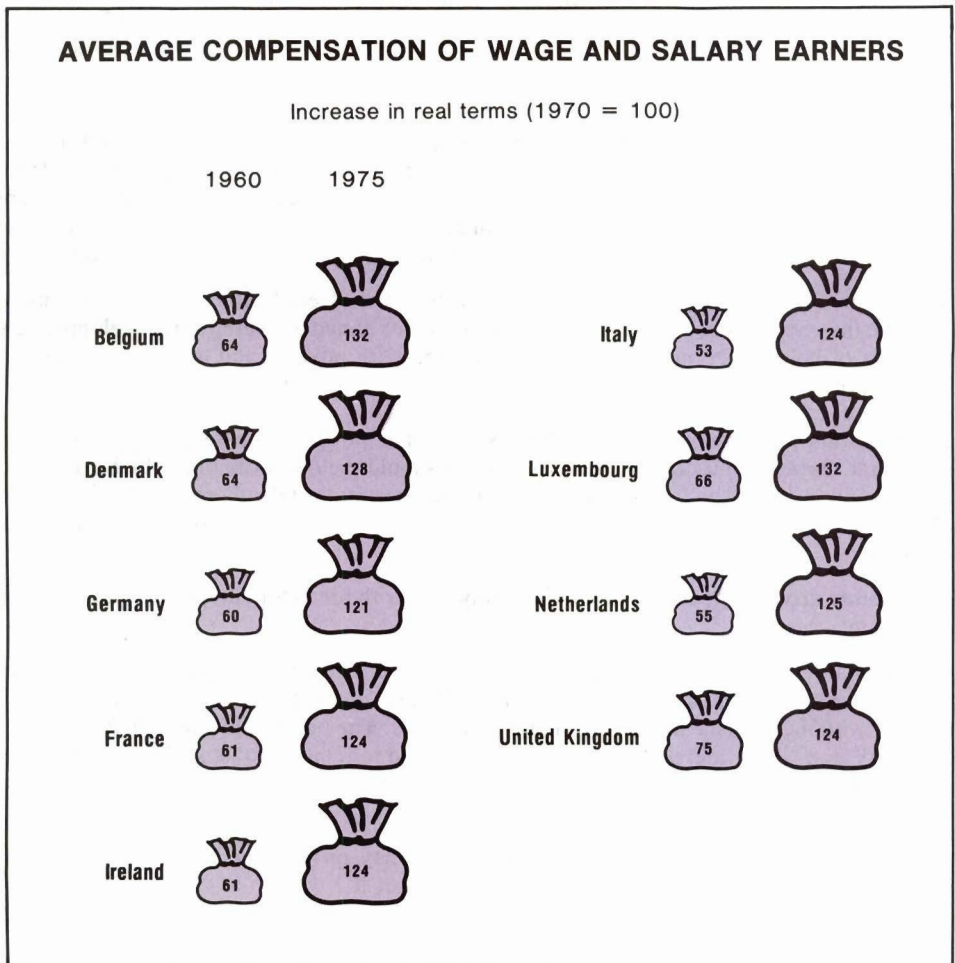
A particular feature of the programme is that it is concerned with the poor as people and not only as potential producers and consumers. It also involves the Community in direct activity with individuals in their own neighbourhoods. The programme has a high degree of 'visibility' (i.e. it is widely reported in the media) and in relation to its scale probably does more to promote a feeling of positive identification with the Community than any other EEC-financed action in the social field.

Member States recently agreed to extend the poverty programme to 1980 and voted a supplementary budget of 14.25 million u.a. to support it.

## V. Living and working conditions

Happily most Community citizens are not poverty-stricken. Most, in fact, are in the fortunate position of being able to concern themselves not just with material welfare but with what has come to be termed the 'quality of life'. An increasing number of Europeans are beginning to see their well-being not just in terms of purchasing power but in terms of less tangible benefits: satisfactory living and working conditions, wider job opportunities, a cleaner environment, greater consumer protection, more leisure time, etc.

On the job front things have changed radically since the 'dark satanic mills' of the industrial revolution. Nevertheless, there is still considerable room for improvement. Many workers are still unnecessarily exposed to health risks and other occupational hazards. Boring,



repetitive jobs involving physical and psychological stress are widespread and comparatively few workers have any real say in the running of the firms in which their livelihood is ultimately bound up.

## *1. Health and safety*

Nearly a hundred thousand deaths and more than twelve million injuries are caused by accidents in the Community each year. The cost of these accidents in human terms is incalculable; in economic terms the Commission has put the direct and indirect costs at over 15 000 million u.a.

Industrial accidents, including occupational diseases, although not the major sector of risk as far as fatal accidents are concerned, represent the largest group of accidents taken as a whole. Moreover, despite considerable efforts made in the field of technical accident prevention, the overall situation has not significantly improved over recent years.

In view of the seriousness of the situation and the far-reaching social implications of the Community's accident record, the Commission considered it its duty to expand preventive action at Community level, particularly in the field of accidents connected with work.

The Community had, in fact, considerable experience to draw upon acquired within the ECSC. The Paris Treaty entrusted the High Authority with the task of improving working conditions and thanks to Community support the last two decades have seen considerable strides made in improving the health and safety of workers in coal mines and the iron and steel industry.

In the coal sector work has concentrated on mine safety and the elimination of dust associated with chronic respiratory ailments among miners. In 1957 a Mines Safety and Health Commission was set up and has proved a most active and effective coordinator of information and experience in this field. In 1974, as provided for in the Social Action Programme, the Commission's responsibilities were extended to all mineral-extracting industries.

In 1976 the Commission initiated a new 5-year research programme on mine safety. The 7.5 million u.a. programme will cover such problems as explosions, fires, working methods, rescue, etc.

In the iron and steel sector, where the Community has a separate Steel Industry Safety and Health Commission which was set up in 1965, a number of safety codes have been introduced and research carried out into safety problems. Considerable attention has also been paid to the pollution problems associated with this sector and in March 1974 a new ECSC five-year research programme to prevent pollution in the iron and steel industry was initiated.

At the end of 1976 a 4-year programme of research on respiratory diseases related to specific forms of pollution in ECSC industries was launched, backed by a budget of 5 million units of account.

When they adopted the Social Action Programme, as part of the aim of improving living and working conditions, the Nine agreed the need for a general improvement in safety and health conditions at work. More specifically they agreed, as a matter of priority, to turn

their attention to the Commission's existing proposal for the setting up of a consultative EEC-level industrial safety committee to help the Commission prepare proposals in the health and safety field.

This committee—the Advisory Committee for Safety, Hygiene and Health Protection at Work—was established in June 1974. Composed of government, trade union and employers' representatives, the Committee has the task not only of helping the Commission prepare and carry out safety measures in all sectors of the economy (except the ECSC sectors), but also of ensuring that the Member States exchange information on their experience and achievements in this important field.

A year later the Commission approved a series of guidelines for a Community programme on safety, hygiene and health protection at work the intention being to implement a series of specific measures drawn up in accordance with the guidelines and in collaboration with the Advisory Committee. Eight broad objectives were set including:

- concerted action between Member States so that technical regulations for accident prevention could be continuously adapted to rapid developments in technology;
- better coordination of research activity to prevent duplication of effort;
- improved statistics on industrial accidents and diseases;
- increased training for safety and health protection in various branches of education and greater participation of both sides of industry in preventive action;
- promotion of safety and health protection within undertakings (safety training, industrial warning signs, etc.);
- concern for particular problems affecting certain sectors and certain categories of workers (e.g. migrant workers).

The Commission's guidelines were accompanied by an initial list of health and safety problems recommended by the Member States for special attention. These included:

- difficult and arduous man-handling jobs;
- contact with dangerous substances and products (e.g. benzene, asbestos, VCM, gases and vapours, etc.);
- noise and vibrations;
- dust;
- radiation other than ionizing radiation.

In 1976 two directives were drawn up, one concerning the provision of safety information in the workplace and the other the protection of the health of workers occupationally exposed to vinyl chloride monomer (VCM), a potential carcinogen. The former of these two proposals has already been adopted by the Nine.

The Community is also active in the field of radiation protection. Under the 1957 treaty establishing Euratom (the European Atomic Energy Community) the European Commission takes responsibility for the health and safety of workers in the nuclear power sector. Euratom 'basic standards', revised in June 1976, lay down radiation protection standards and Euratom inspectors are also responsible for monitoring and control of radioactive levels.



In addition to its work in the nuclear field, the Commission has also drawn up recommendations concerning health protection for workers exposed to laser beams and microwaves.

The Commission's most recent initiative in the health and safety field has been its proposals, submitted to the Council in December 1977, for a Community action programme on health and safety at work. This draft programme, aimed at increasing the level of protection against occupational risks of all types, takes account of the guidelines already drawn up, and seeks to achieve three general objectives:

- improvement of working conditions in general;
- improvement of knowledge in order to identify and assess risks and perfect preventive measures;
- improvement of human attitudes in order to promote and develop awareness of safety and health requirements.

To attain these general objectives, the Commission has planned a series of six initiatives which will involve:

- incorporation of safety aspects into the various stages of design, production and operation;
- determination of exposure limits for workers with regard to pollutants and harmful substances present or likely to be present at the workplace;
- more extensive monitoring of workers' safety and health;
- accident and disease: objective assessment of risks connected with work;
- coordination and promotion of research on occupational safety and health;
- development of safety and health consciousness by education and training.

As and when appropriate, the Commission will draw up proposals for the implementation of measures called for in the programme. At all times care will be taken ensure that Community work in this field does not duplicate research efforts carried out at national level or by other international organizations.

## *2. Improving the working environment*

Satisfactory working conditions, however, do not stop at health and safety. These are essential requirements but so too are such things as job satisfaction and more 'humanized' forms of work organization.

In its proposal for a Social Action Programme, the European Commission called for a change in 'those patterns of work organization which tend to dehumanize the worker and create environmental working and living conditions which are no longer acceptable to ideas of social progress'. Although the Commission considered that the main responsibility for job enrichment lay with the two sides of industry, it nevertheless believed that the Community should take 'complementary measures' to improve patterns of work organization—particularly in those jobs which were 'no longer acceptable to the vast majority of the population and for which migrant or casual labour must be recruited'.

In June 1976 the Commission sent a communication to the Council on humanization of work setting out a series of guidelines to improve the quality of working life. The Commission maintained that it should be the basic objective of the Community to promote the 'redesign of jobs' so as to enable 'all workers, rather than the privileged few, to do work which is meaningful, rewarding and responsible'.

Pointing out that the current economic situation had increased the urgency for change, the Commission argued that the introduction of humanized forms of work organization would not only improve the wellbeing of workers, but could also lead to an increase in productivity. The Commission also maintained that measures designed merely to eliminate job monotony or to develop the occupational skills of each individual were of limited value unless linked to changes in management structures and decision making processes to give workers greater responsibility.

The Commission now intends to set up a group to work in cooperation with the Advisory Committee on Health, Safety and Protection at Work and assess the possibility of introducing more stringent and binding standards for the working environment. A group will also be set up to examine the economic implications of changes in work organization while the Commission will continue to foster greater consultation between the two sides of industry in order to further job enrichment in specific sectors.

Humanization of working—and living—conditions in the Community should be helped considerably by the European Foundation for the Improvement of Living and Working Conditions whose creation was approved by the Council in December 1974. This Foundation, based in Ireland, will be able to play an important role in developing ideas on improved forms of work organization designed to enable workers to participate more directly in decisions affecting their work environment and to make a more creative contribution to their every day work.

The humanization of work guidelines and the setting up of the Foundation are not the only initiatives by the Community in this important field. The Community—and notably the ECSC—has been active for some time now in the related field of industrial medicine. A number of programmes on ergonomics (making the job suit the worker both physically and psychologically) have already been carried out and in 1975 the Commission initiated a new 4-year ECSC programme for the improvement of working conditions and hygiene at work.





































Realizing that the quality of working life is governed to a considerable extent by the number of working hours and the amount of leisure time available, the Commission has urged Member States to introduce a 40-hour week and the principle of four weeks annual paid holiday. The Nine agreed to do so by the end of 1978.

### *3. Protecting workers' interests*

As we have seen, the 1972 Paris Summit stressed the need to ensure increasing involvement of the two sides of industry in the economic and social decisions of the Community and to promote greater involvement of workers in the management of their firms. This aim was taken up by the Social Action Programme which recognized in particular the need:

— to refer more extensively to the Standing Committee on Employment for the discussion of all questions with a fundamental influence on employment;

## WORKING CONDITIONS

|                       | AVERAGE WEEKLY HOURS OF WORK FOR INDUSTRIAL MANUAL WORKERS                              |  |  |  | BASIC ANNUAL PAID HOLIDAYS FIXED BY LEGISLATION   |
|-----------------------|---|--|--|--|---|
|                       | 1967  |  | 1975   |  |   |
| <b>Germany</b>        |  42.6 |  40.8 |  40.8 |  40.8 |  18        |
| <b>France</b>         |  46.7 |  42.5 |  42.5 |  42.5 |  24        |
| <b>Italy</b>          |  44.6 |  41.4 |  41.4 |  41.4 |  12        |
| <b>Netherlands</b>    |  45.4 |  40.8 |  40.8 |  40.8 |  15-18     |
| <b>Belgium</b>        |  43.9 |  37.0 |  37.0 |  37.0 |  24        |
| <b>Luxembourg</b>     |  45.9 |  40.8 |  40.8 |  40.8 |  20-22 (a) |
| <b>United Kingdom</b> |  44.3 |  41.8 |  41.8 |  41.8 |   |
| <b>Ireland</b>        |   |  |  |  |  15-18 (b) |
| <b>Denmark</b>        |   |  |  |  |  24        |

(a) between the ages of 18 and 30 years: 18 days; from 30-38 years: 21 days; from 38 years onwards: 24 working days (in 5-day week cases)

(b) working days

- to help trade union organizations taking part in Community work to establish training and information services for European affairs and to set up a European Trade Union Institute;
- progressively to involve workers or their representatives in the life of undertakings in the Community;
- to facilitate . . . the conclusion of collective agreements at European level in appropriate fields; and
- to develop the participation of management and labour in the economic and social decisions of the Community.

Workers' participation in the decision-making processes of the firms in which they work is perhaps the most important—and probably the most controversial—of the Community objectives in this sector. All Member States are currently examining ways of extending this participation and the Commission is actively involved in the European debate on industrial democracy.

Workers' representation on company boards has already incorporated by the Commission in its company law proposals on the structure of limited liability companies (the so-called 'Fifth Directive') and in its proposal for a European Company Statute—a company statute allowing firms in different member countries which merge to register and acquire legal status throughout the Community. Not only does the draft company statute provide for worker participation but it also makes provision for the creation of a European works council to represent all employees working for the European company in its various establishments.

These two proposals are still being discussed by the Member States and to facilitate the debate on decision making structures the Commission has drawn up a green paper reviewing the state of play in the Member States and outlining Community objectives in the field of industrial democracy.

Other measures have also been taken at Community level to safeguard workers' interests.

A directive bringing into line Member States' laws relating to mass dismissals was approved by the Council in December 1974. This directive lays down certain basic legal provisions which will be common to all Member States—an important move to protect workers, especially those working for multinational companies with operations in two or more Member States. Up until now these companies have been able to make the most of disparate national laws by laying off workers when necessary in countries where restrictions on collective redundancies are the least stringent.

This important step was followed up in December 1976 with the adoption by the Nine of a further directive designed to align Member States' laws applying to the retention of workers' rights (including the important right to work) where the company they work for is taken over or merged.

Other important issues that the Commission is now turning its attention to include problems facing workers in the event of their firm's bankruptcy, the situation of workers affected by individual dismissals, and the need for special protection for young people at work.

The Commission, in line with the Social Action Programme, is also drafting a proposal providing for EEC financial support towards the creation of a European Trade Union Institute.

#### 4. *Housing*

Improved working conditions are only part of the battle to improve the overall 'quality of life' in the Community. Decent housing is also essential if living conditions are to be improved.

While it is essentially up to the Member States' themselves to ensure that adequate housing exists for workers—including migrant workers, many of whom live in overcrowded or unhealthily accommodation—the Community can help to speed up improvements.

A good example is the policy pursued by the ECSC to ensure that workers in the coal and steel industries, including migrants, are properly housed. The High Authority makes available low interest rate loans so that houses can be built or modernized, and then rented or sold at prices workers can afford. By the end of 1976 over 147 000 dwellings had been made available in this way.

To back up the special programmes and pilot schemes for migrants and the handicapped already under way the Commission is also carrying out a number of projects to demonstrate new techniques and ideas to national housing authorities.

### **VI. Improving social protection**

Whereas improved living and working conditions are highly desirable goals of social policy, social protection—the provision of medical care, unemployment benefits, family allowances, pensions, etc.—is an essential, indispensable goal.

Taken together, social protection measures go to make up what could be termed the 'safety net' of society—the means of ensuring that certain fundamental benefits are enjoyed by all.

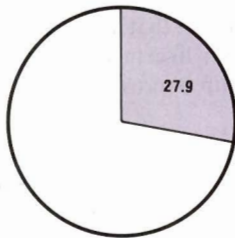
#### *1. Minimum standards*

Social protection varies considerably from one Member State to another given the fact that the Nine have their different traditions and priorities, and for the foreseeable future this will continue to be the case.

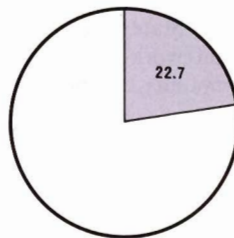
The Commission has begun, however, to try and ensure that Member States' policies are coordinated where possible and feasible and that certain minimum standards of protection are applied throughout the Community. To this end the Commission has just drawn up a recommendation (as requested in the Social Action Programme) concerning the progressive extension of social protection to categories of persons (e.g. some handicapped and certain self-employed people, students, etc.) not protected, or inadequately protected, by existing schemes. Other special categories have also been singled out. Mention has already been made of the Commission's proposal for the progressive implementation of the principle of equal treatment of men and women in the field of social security (see page 24) and the Commission has also proposed special measures to cover social protection afforded to migrant workers.

## SOCIAL EXPENDITURE

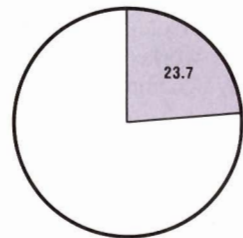
(as % of GDP, 1975)



Germany



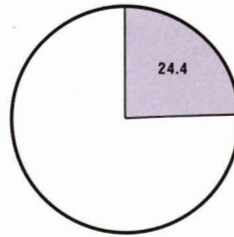
France



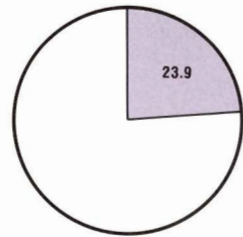
Italy



Netherlands



Belgium



Luxembourg



United Kingdom



Ireland



Denmark

At the beginning of 1977 the Commission forwarded to the Council a communication on the 'dynamization' of social security benefits—i.e. the systematic adjustment of social security benefits within the Community to take account of increase in wages, higher prices and other factors affecting incomes. The Commission's communication contains suggestions as to how dynamization could be implemented between now and 1980. But in view of the present troubled economic climate it is difficult to see the Member States taking a rapid decision in this field.

## *2. The European Social Budget*

An important initiative taken by the Commission in the field of social protection has been the drawing up of a social budget for the Community. The first of these—an analysis of Member States' spending during the 1970-75 period on social insurance benefits (including family allowances and medical care) private occupational benefits, war pensions and means-tested assistance—was drawn up in 1974. In May 1976 a revised text of this first European Social budget was drawn up and at the same time proposals for a second social budget covering the period 1976-80 were adopted by the Nine.

The European Social budget is an essential prerequisite of coordinated action in the field of social protection and should pave the way for closer alignment of Member States' policies.

## **VII. Linking social policy with other policies**

As we have seen, Community social policy began as something of an adjunct to the overall objective of creating a common market. However, since the signing of the Rome Treaty, and in particular since the Paris Summit of 1972, social policy has gradually come into its own so that it is now a policy in its own right. It would be a mistake, however, to imagine that social policy can be seen—or developed for that matter—in isolation from other Community policies.

The way the Commission works is in any case designed to ensure that its policies form a coherent whole, guiding the Community towards a higher standard of living and, ideally, a just way of life.

For example, when one Commissioner makes a proposal, the other 12 consider it not only on its own merits but also see how it ties in with what they are doing in the sectors for which they have responsibility.

The link between social policy and other policies—economic, regional and industrial policy, for example—is fairly obvious. Other links are not so clear but are nevertheless important in the Community context.

The main 'points of contact' with Community policies are set out below.

### *1. Economic policy*

Economic policy and social policy go hand-in-hand. Broadly speaking, economic policy is concerned with guiding the economy of a country so that wealth is created whereas social policy exists to ensure that this wealth—defined by economists as goods and services—is distributed as equitably as possible, bearing in mind the competing claims on resources of the various sectors of society. To this extent it is virtually impossible to consider social policy without taking into account developments on the economic front.

A high degree of economic interdependence exists within the Community and although the goal of economic and monetary union remains to be achieved, Member States still seek to coordinate their economic policies as much as possible.

The Nine set themselves short and medium-term economic targets and these can and do have an important bearing on social developments within the Community.

Take, for example, the question of jobs. Achievement of full employment for economic reasons is an objective shared by all Member States and the extent to which they are able to achieve this goal has a profound influence on social policies.

The link between economic and social policy is perhaps most obvious during periods of economic downturn. When resources are limited, decisions have to be taken on how these are best allocated. Money spent on education cannot be spent on housing; resources directed towards health programmes cannot then be made available to industry for vital investments needed to create jobs.

The economic recession of the last few years has demonstrated all too clearly that the main constraints so far as social improvement is concerned, are economic ones. Only close coordination of economic and social policies in these circumstances can ensure that the problems engendered by the recession are minimized.

## 2. *Regional policy* <sup>(1)</sup>

Of all the Community policies, regional policy is perhaps the closest to social policy. Both, after all, are aimed at redressing imbalances in the Community and ensuring that the benefits ensuing from the development and functioning of the common market are shared by all. Whereas social policy is geared to improving the lot of disadvantaged sectors of the Community population, regional policy is aimed at improving the economic position of the poorer regions. Both policies are concerned with enabling economic integration to proceed without market forces causing undeserved hardship to the weaker sections of the population and Community.

Like social policy, regional policy received a considerable amount of impetus at the Paris summit. Member States realized that if the Community were to forge ahead to economic and monetary union, then something would have to be done to improve standards and remedy economic imbalances in those parts of the Community at a disadvantage either because of decaying agriculture and obsolete industry or on account of other structural difficulties (such as a peripheral position in the Community, bad communications, etc.). Further economic integration without an effective regional policy would, the Nine concluded, lead to grave social distortions.

A regional policy, backed by a Regional Fund, with 1 500 million u.a. at its disposal in the 1975-77 period, has gradually begun to take shape in the Community. Careful application of finance from this fund, coupled with aid from the European Social Fund can ensure that the Community's two most important instruments of structural aid can be brought to bear on the areas and sectors of the population that are in most need of help.

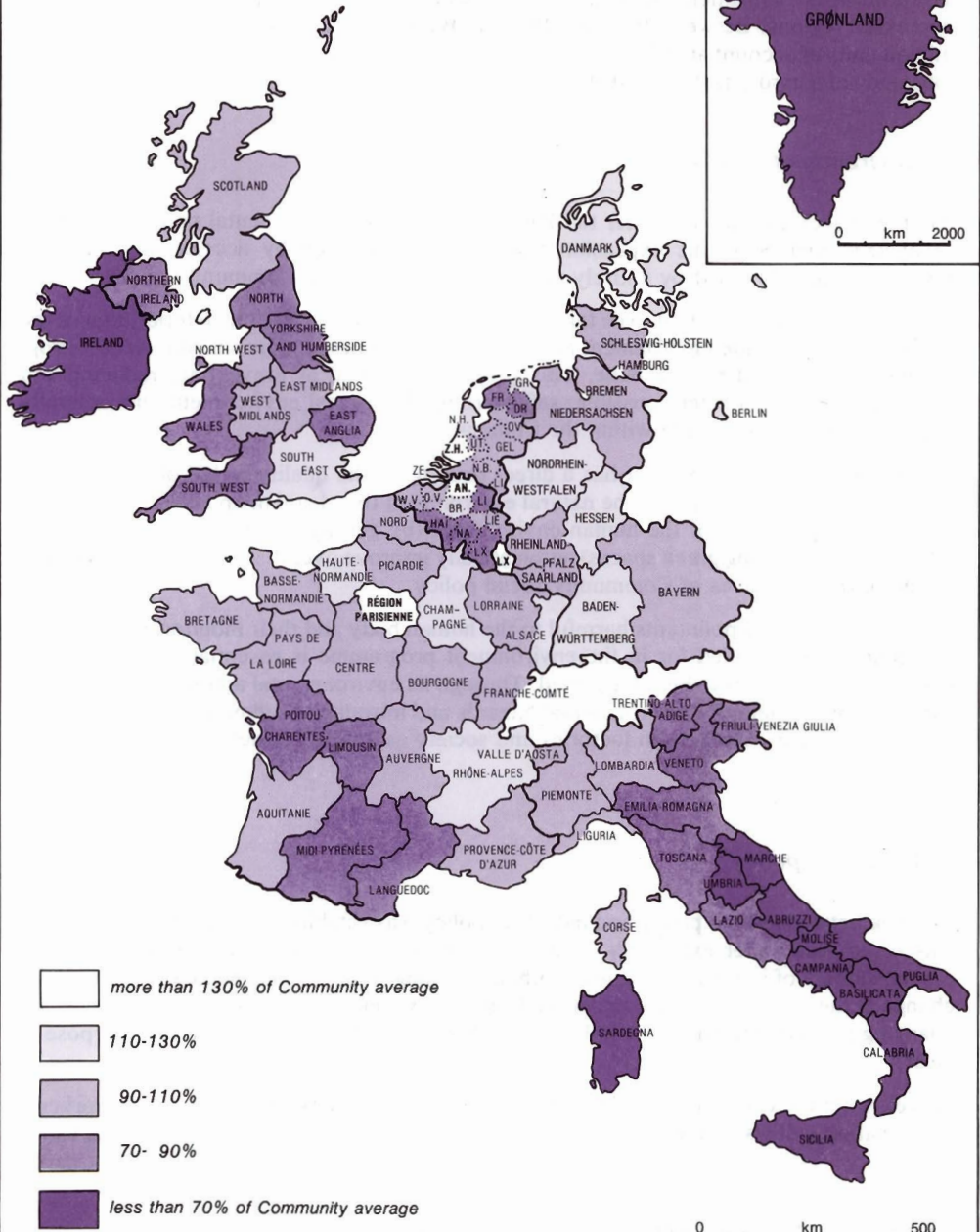
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<sup>1</sup> See also 'The Community and its Regions' in the European Documentation Series.



# REGIONAL DISPARITIES, 1974

Gross domestic product per inhabitant expressed in purchasing power parities of 1970



- more than 130% of Community average
- 110-130%
- 90-110%
- 70- 90%
- less than 70% of Community average

Coordination of the Social and Regional Funds is, in fact, essential if the two are to be used to their optimum, for in many ways the two funds are complementary: the Regional Fund can help create new jobs while the Social Fund can help train workers for them.

The European Investment Bank has also an important role in helping to provide jobs in depressed regions. Between 1958 and 1976 the Bank made low-interest loans worth 9900 million units of account at 1976 prices to finance projects expected to create directly 150 000 jobs and safeguard a further 60 000.

### 3. *Environmental policy*<sup>(1)</sup>

Another policy to 'take off' after the Paris Summit was environmental policy. The Nine recognized that economic expansion had been accompanied by accelerating pollution which threatened to destroy entirely the 'quality of life' in the Community.

The Summit called for action to be taken at Community level to halt the deterioration of the natural and man-made environment and a year later the first Environmental Action Programme was adopted by the Nine. This programme aimed at preventing, reducing and eliminating pollution where possible, safeguarding the natural environment and generally improving the quality of life within the Community.

The quality of the environment has a direct bearing on the quality of life of all of us and clearly measures that improve the natural environment (by cleaning up lakes and rivers or reducing air pollution) or the human environment (by getting rid of noise and dirt in the cities or by preserving green spaces) automatically improve overall social conditions which is one of the objectives of Community social policy.

The identification of pollutants harmful to the human body and their monitoring within the Community as provided for in the environment programme is essential if the health of Community citizens is to be safeguarded. Through its environmental action programme the Commission can identify environmental hazards and introduce Community-wide measures to eliminate them. Workers in factories and society as a whole benefit.

### 4. *Industrial policy*

The link between social policy and industrial policy was established when the Social Fund was set up—and later expanded—to enable help to be given to workers having to leave certain sectors of industry—textiles, clothing, farming. Industry means jobs and industrial change of the kind provided for under the Community's industrial action programme means changing job requirements. The link with the Social Fund's vocational training purpose is clear.

Moves within social policy to 'humanize' working conditions and to improve workers' participation will also have a considerable impact on the structure of industry in the Com-

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<sup>1</sup> See also 'The European Community's environmental policy'.

munity. By working together on the industrial and social fronts at the same time the Member States can ensure that the move towards industrial democracy and improved working methods is carried out as quickly and smoothly as possible.

### *5. Other policies*

For workers employed in the transport sector there is a very obvious and very real connection between transport and social policy. Working conditions, social security provisions and employment prospects are as important to lorry drivers and bargees as they are to workers employed in factories.

Transport policy has a further significance, however, for the provision of adequate transport facilities in a region can make the difference between prosperity and decline. Measures affecting transport in the Community must therefore be drawn up with due regard for their possible social and regional implications.

Social policy ties in directly or indirectly with other Community policies though probably to a lesser extent than the examples cited above. In the agricultural sector is a clear need for coordination between the Fund (which can provide help for workers leaving the land) and the policies of agricultural realization now being promoted by the Community and financed through the guidance section of the European Agricultural Guidance and Guarantee Fund.

In education, as we have seen, there is a growing need to prepare young people for the kind of jobs that are available to them. Closer cooperation between social and educational policies at Community and national level can help to improve the prospects of school leavers and eliminate the waste of human resources now evident in our youthful dole queues.

Action taken on the trade front to open the Community market to exports from third countries—especially the developing countries—can have far reaching consequences for certain sectors of Community industry and hence on employment in these sectors.

For example, both the textile and clothing industries in the Community have been adversely hit by competition, from Third World producers taking advantage of the Community's increasingly liberal tariff policy towards the developing countries.

If the Community is to continue to open doors to products from the developing countries, then a strong social policy to help alleviate the structural unemployment that could ensue will be essential.

## **VIII. Future progress**

The Community is now at a crossroads in its development: progress towards the achievement of economic and monetary union has been slow; economic problems loom large; and it is by no means clear what course the Member States will take in their fight to pull out of the recession.

Difficult as it is in these circumstances for sights to be set in the social field, certain priorities stand out and it is to these that Community social policy will be addressed in the coming years.

### *1. Employment*

When the new Commission took office at the beginning of 1977, unemployment in the Community had reached the 5.5 million mark. By the end of 1977 it was over the 6 million mark. This immense problem will have to be tackled as a first priority.

Henk Vredeling, the new Commissioner in charge of employment and social affairs, has placed the return to full employment at the top of his list of 5 objectives for social policy in the next few years.

Although economic conditions will inevitably entail considerable restraints, the Community will be seeking to optimize Member States' measures to promote employment. Careful coordination of policies will be needed at Community level if specific measures taken in different Member States are not to counteract each other and the Commission will be admirably placed to ensure this coordination.

A return to pre-crisis economic growth rates will not in itself bring the Community back on the road to social improvement and full employment. The Community's development to date has shown that economic expansion can have undesirable side-effects and the task of social policy in future will be to prevent these occurring: to construct rather than to repair.

The Community will be helped in its task by an improved Social Fund, and by a better coordination between this Fund and the other funds at the Community's disposal.

The Commission hopes that the new reformed Fund will not only operate more smoothly but will become a more flexible instrument of Community social policy. In future the reformed Fund will be able to adjust quickly to changing conditions on the labour market and concentrate aid on the hardest hit sectors and regions of the Community. At the same time streamlining of administrative procedures will allow aid to be administered faster and more effectively.

Most important of all, the reformed Fund will be able to provide aid for purposes other than vocational and geographical mobility. It will also—assuming the proposed reforms are accepted—be able to help preserve jobs or create new ones and possibly even be able to guarantee for a limited period, the incomes of workers who have lost their jobs.

### *2. Humanization of work*

It is now recognized that the 'qualitative' aspects of social development are just as important as the 'quantitative' ones. The Commission intends to pursue the goal of improving the quality of work by making it more creative and less soul-destroying and by improving safety in the workplace. The action programme on safety, health and hygiene now being prepared should play a major role here.

### *3. Fighting inequality*

Given the fact that the next few years will probably be characterized by limited growth, the Commission believes that fairer distribution of the products of this growth, as well of existing prosperity, is all the more necessary. The weaker members of society and the poorer regions will thus be singled out for special treatment and protection.

### *4. Improved social security and public health*

Public welfare facilities will be under increasing pressure in the years to come as new needs arise and governments try to meet them from funds which, thanks to economic pressures, are unlikely to keep pace. The Commission considers that funding of social security could be one of the future's more acute problems and that the Community will be able to play a useful role in helping Member States resolve these problems by promoting the systematic exchange of data, ideas and experience.

On the public health front the Commission will be taking action to bring Community support to bear in the event of accidents, epidemics or disasters, or the irruption of new diseases from outside the Community.

### *5. Strengthening participation and co-determination at all levels*

Greater involvement of the two sides of industry in policy proposals and the decision-making process at Community level is a crucial factor in the further development of employment and social policy. If the Community is to advance at all on the economic and social fronts it will largely depend on the ability of all parties involved in the socio-economic field to reach a 'social consensus'—i.e. agreement on the aims and purpose of Community economic and social policies.

At the level of individual industries efforts will be intensified to increase workers' participation. The Commission points out that at a time when workers are being asked to exercise considerable restraint as far as wages are concerned, greater participation is an essential precondition for cooperation with the trade union movement.

These five objectives will be the key social policy aims pursued by the Community in the next few years. However, if a Community with a 'human face' is to be created in the long run, if the Community is to appeal to people and win their support, then changes extending far beyond social policy as it is now will be required.

As Belgian Prime Minister, Leo Tindemans, pointed out in his recent report on European Union: 'The task of the present generation is to seek a transition to post-industrial society which respects the basic values of our civilization and reconciles the rights of the individual with those of the community . . . Despite the sometimes radical divergences in the solutions advocated there does exist a minimum consensus of opinion between the democratic forces in Europe on the nature of the changes required. A new type of economic growth displaying more respect for the quality of life and the physical and human environment, and better able to reconcile economic and social objectives'.

Clearly development of the European Economic Community will have to take account of the fact that it is also a European Social Community. If this is recognized by governments and the people as a whole then the way will have been paved for a fully-fledged Community social policy equipped to deal with Community problems on a Community basis.

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