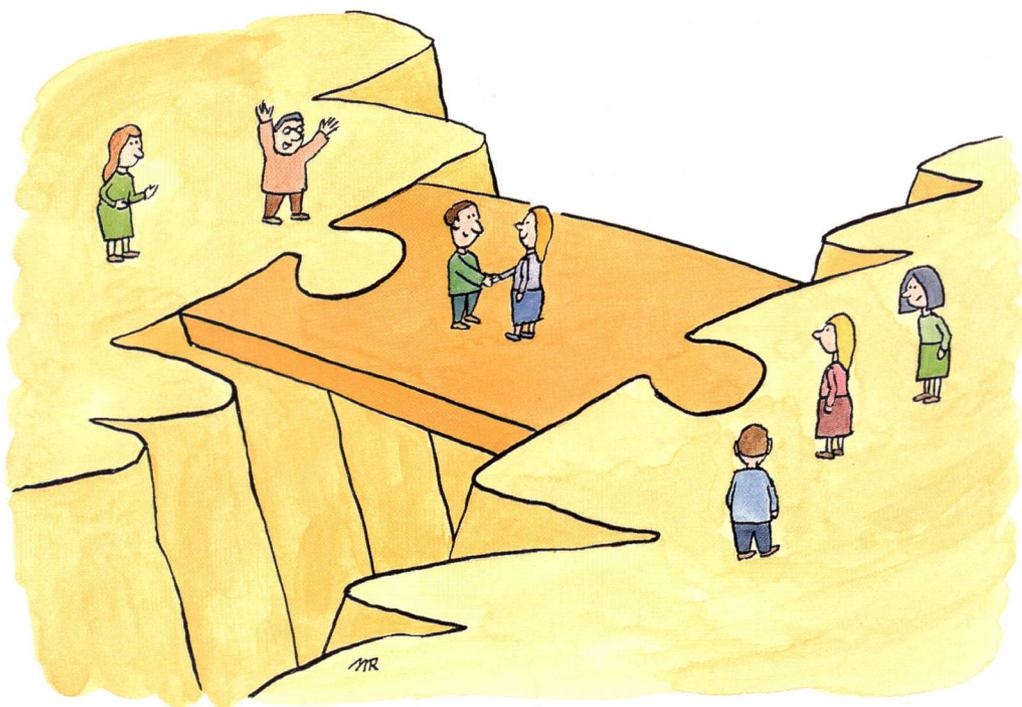


# PROMOTING A SOCIAL EUROPE



Europe  
on the move



The European Union consists of 15 Member States with a total population of 370 million people speaking 11 official languages. In the European Economic Community, politics at European level was initially concerned only with economic issues. But attention later turned to building Europe's social edifice. Equal opportunities for men and women, guaranteed pensions, educational opportunities, health care, employees' rights, health and safety at the workplace — all of these now form part of the political agenda. The European Union pursues integration along three lines: increasing harmonization of individual Member States' social laws, closer alignment of national security systems and definition of social security policy objectives.

The European countries spend considerably more on social security than Japan or the United States. In Europe, social security accounts for 22% of GDP, as against only 15% and 12% in the USA and Japan respectively. This 'European social model' is built on the concept of solidarity. Social standards in the 15 Member States, though connected through the single internal market, differ from one State to another. For example, unlike the other Member States, Greece, Spain and Italy have no State-guaranteed minimum income. Economic and social imbalances of this type need to be jointly dismantled.

*One of the objectives of the Treaty on European Union is the improvement of health and safety protection at the workplace. People working with dangerous substances such as the fireman illustrated here in a chemical accident need particular protection.*

*However, common Europe-wide rules on safety at work also apply to more ordinary jobs such as those involving machinery. European standards are needed to prevent firms from avoiding safety measures as a way of gaining financial advantages at the cost of worker safety.*

## THE EARLY YEARS

The importance of an independent social policy for the entire Union has always been a subject of controversy. Just how far should social policy be standardized across Europe? This question was discussed as long ago as the negotiations for the establishment of the European Economic Community in 1957. At that time, economic considerations played an important part because the short-term costs to employers and the State are higher if the population is guaranteed a high level of social security. However, in an economic community, the same basic economic conditions should be established for all the Member States. Provisions which could potentially distort competition, such as the high costs to firms of ensuring social welfare, should therefore be harmonized.

There are two opposing schools of thought here: the 'neo-liberal' economists want to limit the social and other restraints on competition to a minimum in the belief that this will lead to maximum prosperity. They view social costs as just one of many cost factors for firms which can be adapted as and when the economic situation requires.

By contrast, those who favour a welfare State model for society see social ex-

penditure as necessary in order to safeguard social peace. They believe that identical social standards throughout Europe will prevent the kind of distortions of competition which arise where firms have different levels of cost to bear. States with high levels of social protection would otherwise lose jobs and capital because firms prefer to invest in countries where the labour costs less.

The EC was therefore obliged to forge a policy representing a compromise between these two extremes. The 1957 Treaty founding the EEC contained 12 articles covering social matters (Articles 117 to 128): employment, labour law and working conditions, vocational training, recognition of social security laws, prevention of accidents at work and occupational diseases, protection of health at work and collective bargaining between employers and employees. The EC took particular pains to make provision for workers who, in the course of their working lives, move from one Member State to another. Periods of employment and insurance can now be aggregated, with the result that national workers and migrant workers are now treated equally for social security purposes. However, the powers assigned to the European institutions in the social policy field were limited in scope. No Member State wanted to subject itself to rules in this sensitive and cost-intensive area. This situation was to change slowly in the years to come.



Eureka slide

In 1972, the Heads of State or Government meeting in Paris renewed the momentum for a European social policy by calling on the Community bodies to take energetic steps in this field, as a result of which the first social policy action programme came into effect in 1974. Action programmes set out practical measures in a particular field, thus drawing out a sort of policy timetable. First of all, the EC introduced European legislation in this field, known as directives, which had to be transposed into national law. Throughout Europe, firms now had to apply identical procedures in the event of mass redundancies and guarantee the maintenance of workers' entitlements in the event of company mergers. The work of the national employment agencies was coordinated more effectively and proposals made for the integration of young people, the handicapped and the unemployed into working life.

## THE EC SOCIAL CHARTER

In the 1980s, the social dimension steadily gained importance in Europe. It was increasingly seen as an instrument for strengthening European cohesion. In 1989, the Heads of State or Government of the Member States — with the exception of the United Kingdom — adopted the Community Charter of the Fundamental Social Rights of Workers, a declaration intended to pave the way for genuine, legally binding minimum social standards for workers in Europe.

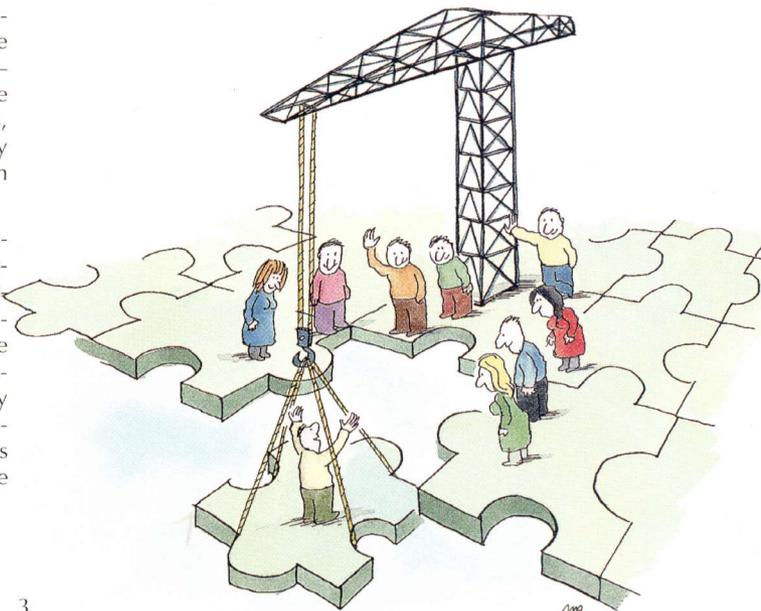
Many more of the Commission's proposals for legislation still await the approval of the Member States. For example, the problem of the working conditions of people employed in what are called 'atypical employment relationships', such as part-time or temporary employment, still remains to be clarified. The European Commission is currently seeking the opinion of the social partners on this matter.

It is the task of the European Commission to draw up proposals for EU legislation. Under the EC Social Charter, it has submitted almost 50 proposals to the Council of the EU and the European Parliament. For example, since 1993, the Working Time Directive has laid down the following entitlements for most workers in Europe:

- 11 hours' rest every day;
- one rest period for any working day of more than six hours' duration;
- a weekly minimum rest period of 35 consecutive hours;
- an average maximum working week of 48 hours;
- at least four weeks' paid annual holiday; and
- a normal average night-working period of eight hours a day.

## THE MAASTRICHT TREATY SOCIAL AGREEMENT

In 1992, a protocol on social policy was appended to the Maastricht Treaty. The Agreement on social policy, which was not signed by the United Kingdom, empowers the Member States of the EU to take legally binding decisions in certain fields, a majority of votes being sufficient in matters such as health and safety at the workplace, working conditions, information and consultation of employees, equal employment opportunities for men and women and integration of unemployed people into working life.



## The Social Charter

The Community Charter of the Fundamental Social Rights of Workers was adopted by the Heads of State or Government of the Member States with the exception of the United Kingdom in 1989. As an expression of political will, it sets out fundamental rights which, although not enforceable, serve as guiding principles for policy in the Member States of the European Union other than the United Kingdom. The 12 fundamental rights enshrined in the Social Charter are:

1. Right to work in any Member State
2. Right to fair remuneration
3. Right to improved living and working conditions
4. Right to social protection according to the arrangements applying in the individual Member States
5. Freedom of association and collective bargaining
6. Right to vocational training
7. Equal treatment for men and women
8. Right to information, consultation and participation
9. Right to health protection and safety at the workplace
10. Protection of children and adolescents
11. Right of the elderly to a decent standard of living
12. Better integration of the disabled into society and working life

For other areas of social policy such as regulations relating to social security, the protection of workers on the termination of an employment contract or the employment conditions of nationals of a non-member State working in the EU, the Social Agreement requires unanimity among the government representatives — a Member State can therefore use its veto to block any decision. In 1994, the procedure laid down in the Social Agreement was used successfully for the first time with the Directive on the establishment of European works councils. That directive requires firms operating across borders with at least 1 000 employees in the EU Member States and at least 150 employees in each of two EU countries to afford their employees a certain measure of information and influence.

Under the Agreement, some areas of social policy, such as pay, freedom of association, the right to strike and the right to impose lock-outs, remain exclusively a matter for the Member States.

## MINIMUM SOCIAL STANDARDS

To eliminate the risk of cut-throat competition in the single European market and therefore any erosion of existing social policy achievements, the EU lays down minimum social standards in the form of directives which the Member States have to transpose into national law. These, of course, are the outcome of lengthy political discussions in which all those involved have to make compromises. Nonetheless, these social laws introduce substantial improvements to the living and working conditions in Europe. The Member States are entitled to lay down a higher level of protection in law if they so wish. The aim in the long term is not the full harmonization of social standards; each Member State will be free to tackle its own particular social problems as it sees fit. But the EU sees itself as a socio-political intermediary which formulates ideas and objectives, promotes discussion and endeavours to bring about consensus.

## PRACTICAL ASSISTANCE

The most important instrument of the Europe-wide social policy is the European Social Fund (ESF). In 1995, the fund contributed ECU 7.5 billion to finance projects in the Member States. About 80% of ESF money was used to combat long-term unemployment and exclusion from the employment market, provide young people with the necessary qualifications and employment opportunities, promote equal opportunities and help workers to adapt to changes in industry. The ESF focuses particularly on the training of instructors, retraining and further occupational training, finances the formation of networks between training institutes or subsidizes child care for mothers wishing to improve their qualifications further. One successful project took



place for example in Bremen, where high numbers of women received training in clerico-technical skills, health and caring occupations, data-processing and communications technology: almost 80% of them subsequently found employment. The return to working life was made easier for the participants by the fact that not only the costs of child care but also the payment of a minimum income was guaranteed under ESF resources during the further training period.

*Unemployment is one of the most serious problems facing young people in Europe. Basic and further training are the greatest assets to anyone in search of employment, helping young people to adapt to the constantly changing requirements of the job market.*

ESF resources are also used to support Community initiatives such as 'Employment' and 'ADAPT'. The 'Employment' initiative covers three fields of action: 'NOW' promotes innovative projects entailing further training for women; 'Horizon' concerns improved employment opportunities for the handicapped and 'Youthstart' helps young people of under 20 years of age. All Community initiatives operate across the borders and experiment with new ways of preparing people for the employment market.

The aim of Helios II is to integrate handicapped people into working, economic and social life. 'Europe against cancer' is designed to propagate a healthy way of life. 'LEDA' provides support for employment initiatives at local level. There are also various measures designed to assist the elderly.

## Social dialogue

What does the social dialogue involve? The social partners, i.e. the employers' associations and the trade unions, have been organized at European level for years, for example within the Union of Industrial and Employers' Confederations of Europe (UNICE) or the European Trade Union Confederation (ETUC). The central organizations keep in close contact with one another. The Maastricht Social Agreement institutionalized this social dialogue. Article 18 stipulates that before submitting proposals for legislation, the Commission shall always consult management and labour. Furthermore, the social partners may negotiate on certain matters of their own accord: the Commission may take up their agreement and submit it to the Council of Ministers for adoption. An initial example is the Directive on parental leave and leave on family grounds, the content of which was agreed on by the social partners in December 1995.

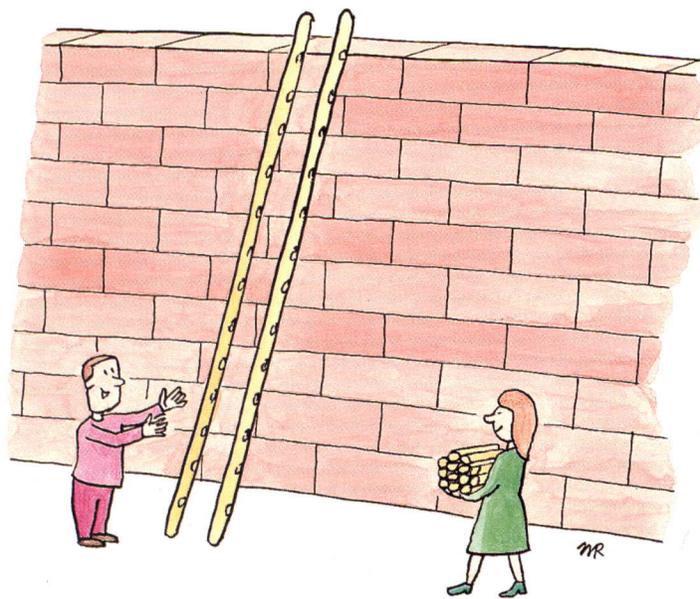
## EQUAL OPPORTUNITIES — A TOP PRIORITY

The principle of equal pay for men and women has been enshrined in Article 119 of the Treaty establishing the EC from the very beginning. However, this principle has still not been put fully into effect throughout the Union. Various directives and numerous rulings of the Court of Justice have attempted to put this basic principle into effect. This has yielded new guidelines for occupational grading and assessment, the identification of direct or indirect types of discrimination as well as the definition of the concept of pay. But many ideas for improvement have not yet been put into effect, one example being the proposal for reversing the burden of proof. Many women who suffer discrimination on the employment market are reluctant to complain because the burden of proof lies with them. The European Commission has therefore proposed that, where there are reasonable grounds for suspecting discrimination, the employer must produce evidence to the contrary. The opinion of the social partners is currently being sought on this matter.

European equal opportunities policy sets out to improve employment opportunities for women by encouraging specific vocational training schemes for women and greater compatibility between family and working life.



Marcel Marinka, Europäischer Wettbewerb



## THE FUTURE OF THE EUROPEAN SOCIAL POLICY

An increasingly ageing population, changing employment patterns and a revolution in family structures are leading to a radical transformation in European society. The existence of 17 million unemployed in the Union demonstrates just how inseparable employment policy — indeed, one might say economic policy as a whole — is from social policy. After all, only a high employment rate can ensure coverage of the rising costs of pensions and health care. In April 1995, the European Commission therefore presented a new social policy action programme for the period 1995 to 1997, emphasizing that social policy can no longer remain static but has to adapt flexibly to new circumstances. Measures to combat unemployment and to create new jobs thus stand at the top of the agenda. However, activities under the European social policy must not be confined to the labour market and related aspects of labour law but must involve the people of the entire EU.

### Major features of the European social policy action programme 1995-97

- More effective use of the Social Fund to promote employment
- Promotion of general and vocational training
- Measures to facilitate free movement within the Union (e.g. review of guidelines on recognition of qualifications or transfer of pension rights)
- Establishment of minimum requirements framework in all fields of social policy
- Regulations on compatibility between working and family life and on part-time work
- Application of equal opportunities principle in all areas of social policy
- Assistance for the poor, the handicapped and the elderly
- Joint action to combat racism and xenophobia in society
- Development of the social dialogue
- More intensive cooperation with NGOs
- Analysis of the social effects of the developing information society

A report by the European Parliament on this action programme calls for a more social vision of Europe, which should find expression above all through the social partners. Dialogue between management and labour should be used as a way of coming to terms with the structural changes arising from the single market. As in the case of parental leave or the discussion concerning part-time working, this should then be followed by European legislation providing effective safeguards for workers' rights.

## THE DEVELOPMENT OF THE MAASTRICHT TREATY

In 1996, an intergovernmental conference will review the Maastricht Treaty from the point of view of its effectiveness, appropriateness and possible further development. Consideration should at the same time be given to a reshaping of the union-wide social policy. Pádraig Flynn, Member of the European Commission responsible for social policy, says that the European Union's social policy has reached a crucial stage in its development, the harsh truth being that we have not yet met the public's expectations. Mr Flynn

is in favour of discussing the possibility of anchoring fundamental social rights in the Treaty. In contrast to the 1989 Social Charter, which laid down Europe-wide social principles only for workers, these fundamental rights would then have to be mandatory for all European citizens.

Furthermore, Mr Flynn is strongly in favour of the inclusion of an anti-discrimination clause in the Treaty. 'I have on many occasions made clear my belief that we should incorporate into the Treaty a right to be free of discrimination on the grounds of race, colour, sex, religion, age and disability. Discrimination should be legally actionable.' 'All Europeans should have legal protection against discrimination.' As regards the European institutions, Mr Flynn wishes them to have greater powers, particularly to combat racism. Individuals experiencing difficulty could then turn directly to the institutions.

The European Parliament takes the view that, when they come to revise the Treaty, the governments should incorporate a chapter entitled 'Employment union' elevating full employment to an EU Treaty objective and introducing mechanisms for coordinating national employment policies. Parliament is also in favour of the introduction of a personal social security card affording protection throughout the Union. And it wants to see improvements in the position of the elderly, for whom it wants to see a specific action programme and greater financial resources and also the development of social roles so as to integrate the elderly more effectively into society.

The advances made in the field of European social policy do not extend in all cases to the inhabitants of the United Kingdom. The European Commission therefore regards it as a priority objective for the Intergovernmental Conference of 1996 to ensure that the Union-wide legal framework once again covers all the Member States. Those in charge of European social policy are calling for the power also to

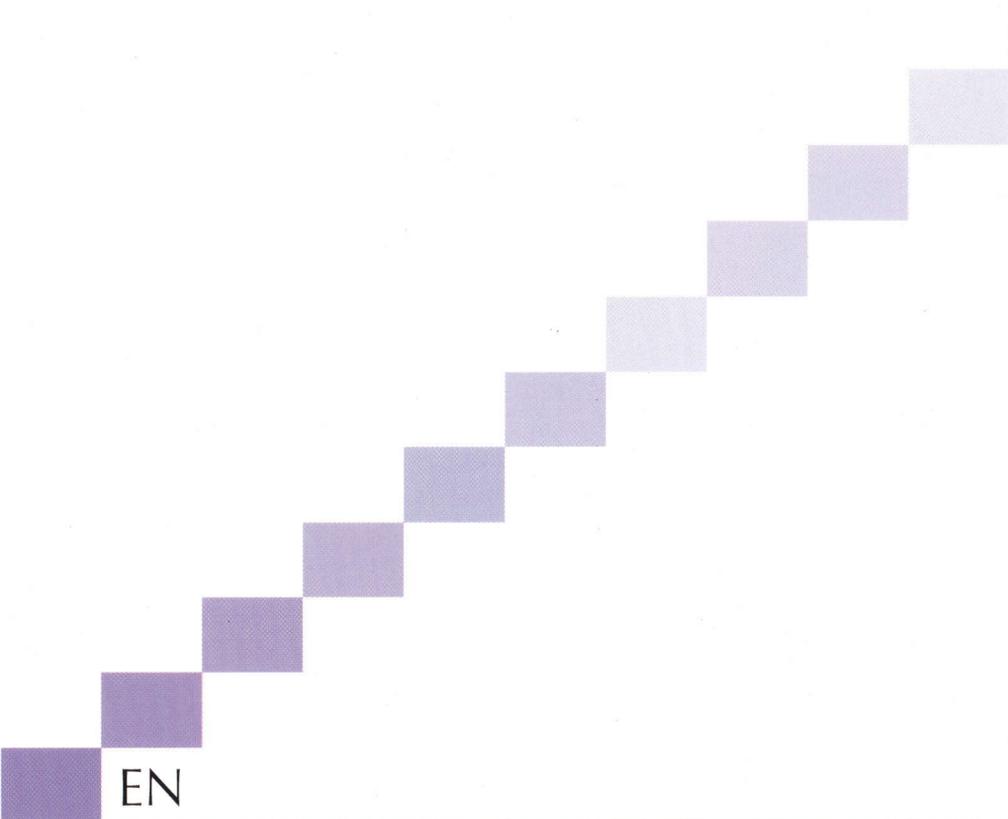
issue directly applicable regulations and not only — as provided for in the Social Agreement — directives which first have to be transposed into the legislation of the Member States.

As long ago as 1972, the European Heads of State or Government meeting in Paris stressed that in Europe's further development, economic and social aspects should be dealt with on an equal footing. However it is debatable whether the 'social dimension' really plays an equal part in the practical policy of the Union. This is attributable not least to the fact that, for economic reasons, economic integration generally proceeds ahead of political and social integration. This relationship cannot continue in the long term.



Agnes Senepart

*Solidarity between the generations. In 1993, a fifth of the Union's population was over 60 years of age. Almost 4% of people are over 80 years of age. The aim of the European Union is to help bring about a higher standard of living for the elderly and integrate them more effectively into society. With this aim in mind it finances for example model projects and studies and submits proposals to the Member States. In the EU, pensioners are entitled to reside and draw their pension and social security entitlements in any Member State. If they have worked in more than one country, then their entitlements are combined and paid out at the place of retirement.*



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A great deal of additional information on the European Union is available on the Internet. It can be accessed through the Europa server (<http://www.ccc.lu>).

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