

European Trade Union Information Bulletin



ISSUE 1 of 1997

Support From Social Partners For Commission Communication On Future Of Social Dialogue

The European Trade Union Confederation (ETUC) and the European Centre Of Enterprises With Public Participation (CEEP) have both welcomed the Communication issued by the European Commission last September (See Issue 4/96 of the Bulletin) on the future development of the social dialogue at Community level. The employers' organisation (UNICE) had not issued its Opinion at the time of going to press. Both the ETUC and CEEP stress the important contribution already made by the social dialogue but call for changes to increase its effectiveness and efficiency.

The ETUC in particular calls for more resources to be devoted to the social dialogue process in order to strengthen it and provide a basis for its possible extension in order to find a proper balance between legislation and contractual agreement. Equally both the ETUC and CEEP support a further strengthening of the sectoral social dialogue which currently involves a number of joint committees, informal working parties and non-structured discussion groups. Both organisations call for the increased involvement of the sectoral Directorate-Generals of the European Commission in the sectoral dialogue.

There is also a considerable measure of agreement between the two organisations on the position of employment issues within the social dialogue both in terms of the main dialogue involving the three social partner organisations (ETUC, CEEP and UNICE) and the sectoral dialogue. However such a concentration should not be to the exclusion of other issues. Finally, both organisations call for the inclusion of the Maastricht Agreement on Social Policy within the main body of the Treaty in order to improve the level of co-ordination of labour market and social policies between Member States.

CONTENTS

BACKGROUND BRIEFING:

Participation in Profits and Enterprise Results (PEPPER) 2

FOCUS

Equitable Wages : Commission Progress Report 5
The Dublin Declaration on Employment 6

LEGISLATION

Seveso Directive Updated 8
Employment and Labour Market Committee 8
Posting of Workers Directive 8

REPORTS

European Foundation 9
European Parliament 10

NEWS

Social Affairs Council / New Technology / Employment in Europe / Working Time 12

STATISTICS 15

EUROPEAN TRADE UNION INFORMATION BULLETIN

Produced by MBO Education & Training Ltd 3, Dorchester Road, Fixby, Huddersfield, UK.
Fax: 00 44 1484 423 828

E-mail: AB@mboelma.demon.co.uk
with the support of the Commission of the European Communities (DGX)

ON-LINE VERSION AVAILABLE AT <http://www.ecu-notes.org/>



Participation In Profits and Enterprise Results : The PEPPER II Report

BACKGROUND BRIEFING

In July 1992 the Council adopted a Recommendation on the promotion of participation by employed persons in profit and enterprise results. The 1992 Recommendation was largely based on research which had been funded by the Commission aimed at providing an overview of financial participation by employees in Member States (The Research was published in a Commission report known as the PEPPER Report)

This research has now been updated and incorporated into a second report (PEPPER II) which provides an overview of the ways in which Member States have promoted financial participation by employees since 1991. The report is divided into three main sections.

1. An Introduction looks back at the scope and objectives of the 1992 Recommendation and provides an overview of the various different types of scheme for financial participation by employees (such as profit sharing and employee share-ownership). It also attempts to assess the effects of PEPPER schemes in practical terms.
2. The second section provides a detailed overview of the situation in Member States. Some of this information is summarised in the following tables
3. The third sections presents a set of conclusions. These relate to:
 - legal structures and provisions for financial participation;
 - the diffusion of PEPPER schemes within individual Member States;
 - Available options for parties concerned;Finally the Report provides a set of eleven ideas for the reinforcement of PEPPER schemes. Member States and Social Partners are urged to explore these ideas with a view to strengthening the use of PEPPER schemes throughout the EU. Briefly, these eleven ideas are:

1. Develop a Framework Law:

Whilst there are few legal obstacles to the further development of PEPPER schemes, certain modifications to existing laws are needed. Equally the development of framework laws could be encouraged.

2. Legal Definitions:

A clear legal distinction between wages subject to social change and advantages derived from

PEPPER schemes is needed.

3. Enhancement of Equality:

In many countries there is not equality of participation in PEPPER schemes with groups such as part-time workers and temporary workers being at a disadvantage.

4. Introducing Profit-Sharing:

Nationally supported deferred profit-sharing schemes are most likely initially to promote the development of PEPPER schemes.

5. Provision of Stimulating Climate:

The development of PEPPER will be stimulated through an environment in which profit-sharing is considered as a voluntary and motivating instrument, separated from wage negotiations and leaving bargaining independence to social partners.

6. PEPPER Schemes and Privatisation:

Governments can usefully set up PEPPER schemes during the course of privatisation

7. PEPPER and Employee Involvement:

Sometimes the promotion of PEPPER schemes can be linked with the promotion of employee involvement.

8. PEPPER and Collective Bargaining:

Occasionally PEPPER schemes can be promoted by the introduction of provisions in collective agreements. An official appeal to the social partners to promote these schemes can increase acceptance of PEPPER schemes.

9. Minimise Risks to Employees:

Situations in which shares are issued to employees when the company has economic or financial problems should be avoided.

10. The problems of intra-EU Schemes:

Problems with regard to the distribution of benefits from PEPPER schemes to employees in other Member States need addressing.

11. Clear Models and Plans:

Clear models and plans are needed to help management and workers understand schemes and their comparative advantages.

12. Stimulate Information Exchange:

Information exchange between Member States both on legislation and good practice, needs to be encouraged.

**SUMMARY OF SITUATION IN EU MEMBER STATES WITH REGARDS TO PEPPER SCHEMES****BELGIUM**

General Situation: Unfavourable, but still being discussed. PS and ESO prohibited due to wage freeze

Legislation: Legislation dating back to 1983 on ESO, SO and preferential share offers.

Tax Benefits: Limited, especially for ESO and SO

Types of PEPPER Scheme: ESO schemes covering 36,900 employees in 1994. Various other types of CPS and DPS (including PS certificates) covering about 10% of large companies

DENMARK

General Situation: Discussions during 1994

Legislation: Legislation on SPS and ESO since 1958.

Tax Benefits: Some limited benefits for SPS, BPS and ESO.

Types of PEPPER Scheme: Some 27 firms had BPS schemes in 1995 and 16 had ESO schemes. SPS schemes also exist although there is no data on their degree of coverage.

GERMANY

General Situation: Favourable, except for CPS. Government asked social partners to consider ESO in 1994

Legislation: Some legislation exists on ESO. Minor legislative changes were made during 1994.

Tax Benefits: Only exist for ESO.

Types of PEPPER Scheme: 1,500 to 2,000 firms have some form of ESO or DPS scheme and such schemes covered about 1.5 million employees in 1994 Employees benefit by 0.6% of average gross annual wage.

GREECE

General Situation: No discussions have taken place.

Legislation: Some legislation exists on CPS (1984) and ESO (1987).

Tax Benefits: Substantial tax benefits exist for both firms and employees.

Types of PEPPER Scheme: Data not available.

SPAIN

General Situation: Government is attempting to encourage social partners to consider ESO schemes.

Legislation: Only general provisions in Workers Statute in relation to EBO (1986).

Tax Benefits: Minor, except for EBO.

Types of PEPPER Scheme: In 1994 some 1,087 collective agreements, covering 1.8 million workers, had clauses on CPS

FRANCE

General Situation: Situation is very favourable with widespread discussion and interest.

Legislation: Legislation has existed on DPS, SO and ESO since 1967. Legislation on CPS introduced in 1995. Several important improvements in legislation over recent years.

Tax Benefits: Substantial for both firms and employees. Further improvements made in 1994.

Types of PEPPER Scheme: Over 5 million workers are covered by DPS schemes in 19,000 firms. Average benefits can reach nearly 5% of annual earnings. 2.5 million workers are covered by over 8,000 agreements on CPS and benefits account for almost 3% of earnings. Other schemes are less widespread - ESO (0.75 million employees covered, DSO (200 companies running schemes) and EBO which took place in 600 firms between 1984 and 1990 and about 55 firms since 1992.

IRELAND

General Situation: Discussed in National Programme for Competitiveness and Work.

Legislation: Mainly in Finance Acts of 1982 and 1986, covering ESO, SPS and SO.

Tax Benefits: Considerable improvements during 1995

Types of PEPPER Scheme: ESO, SPS and SO schemes do exist but there is no data on their degree of coverage.

ITALY

General Situation: Discussions about PEPPER schemes are on-going. An appeal for support by social partners was launched in 1993.

Legislation: Some provisions in Civil Code and Workers' Statute.

Tax Benefits: No specific incentives exist.

Types of PEPPER Scheme: About 300 PS schemes existed in 1991 covering about 6% of all employees. A number of SO schemes exist in private companies but no specific data is available.

**LUXEMBOURG**

General Situation: The Government is currently considering initiatives and there are currently legislative proposals on ESO under consideration.

Legislation: None.

Tax Benefits: None.

Types of PEPPER Scheme: About a quarter of all companies (mainly banks) have CPS schemes and employees can benefit by between 4.5 and 8% of net taxable profits.

NETHERLANDS

General Situation: Attitudes are favourable and PEPPER schemes are being discussed.

Legislation: New legislation on CPS introduced in 1994.

Tax Benefits: Improvements during 1994. Benefits now substantial.

Types of PEPPER Scheme: Just over 5% of firms have CPS schemes and these cover 11.5% of all employees who benefit by about 5% of average earnings. SO and DPS schemes also exist although no specific data is available.

AUSTRIA

General Situation: Attitudes are generally favourable, but sceptical, especially on ESO.

Legislation: Schemes covered by 1974 Labour Law (revised 1994) and 1994 Income Law.

Tax Benefits: Only for ESO.

Types of PEPPER Scheme: Data only exists for large companies where 20 ESO schemes exist covering about 18,000 employees. Small number of SO, ESOP and PS schemes exist.

PORTUGAL

General Situation: Some minor discussions taking place

Legislation: Since 1989 privatisation law provides for ESO. PS based on 1969 law.

Tax Benefits: Incentives for firms with PS. ESO incentives for both firms and employees.

Types of PEPPER Scheme: No data available on PS. Employee shareholders 12.4% of total shareholders

FINLAND

General Situation: Affirmative. Discussed with social partners

Legislation: Personnel Funds legislation (1990, amended 1996).

Tax Benefits: Incentives for Personnel Funds, non for CPS/ESO.

Types of PEPPER Scheme: Some 90,000 employees (41 firms) involved in DPS (Personnel Fund)

SWEDEN

General Situation: No significant discussions taking place.

Legislation: Only for profit-sharing funds.

Tax Benefits: For employees and firms on payments to the funds.

Types of PEPPER Scheme: Data not available

UNITED KINGDOM

General Situation: Very favourable, frequently discussed, continuous improvements.

Legislation: Comprehensive legal framework covering all main types of scheme. Changes in legal framework made in 1991, 1992 and 1994.

Tax Benefits: Substantial for both firms and employees. Increases in tax relief in 1991, 1992 and 1994.

Types of PEPPER Scheme: Almost 20,000 schemes exist covering 5.5 million workers. Of this total 22% of schemes are DSO, 64% are CPS, 4% are SPS and 6% are SO schemes.

ABBREVIATIONS

PS	Profit-sharing	SPS	Share-based profit-sharing
BPS	Bond-based profit-sharing	CPS	Cash-based profit-sharing
DPS	Deferred profit-sharing	ESO	Employee share-ownership
SO	Stock options	DSO	Discretionary share options
ESOP	employee share-ownership plans	EBO	Employee buy-outs



Equitable Wages

Commission Progress Report

FOCUS

The 1989 Community Charter on Fundamental Social Rights included the principle that all employees should be fairly remunerated. In September 1993, the European Commission published its Opinion on an Equitable Wage. The Opinion focused on three main areas for action by Member States and Social Partners:

- 1 Action to improve labour market transparency with regard to wages.
- 2 Action designed to ensure that the right to an equitable wage is respected.
- 3 Action in favour of human resource development.

As part of the follow-up procedure, the European Commission circulated a questionnaire to all Member States seeking information on what progress had been made since 1993. The results of this questionnaire have been used as the basis for a new Report from the Commission (COM (96) 698 of the 8th January 1997) entitled "Equitable Wages - A progress Report". The concept of an equitable wage is perhaps a difficult one, combining, as it does, the principles of a fair wage and an adequate standard of living. In reality however, equitable wage policy is frequently the same as minimum wage policy. The main conclusions of the Report are examined under three main headings.

Legislation/Regulation

- The basic legislative framework in relation to equitable wages existed in most Member States before the 1993 Opinion was published. Such provision were frequently developed in response to the need to promote equal opportunities and protect vulnerable groups in the labour market.
- There were few signs that Member States had viewed the Opinion as a catalyst for action. The closest association was in the area of homeworking although even here the Member States who had taken recent action had probably done so in response to a complex set of circumstances.
- The majority of Member States felt that intervention in wage setting was not desirable and should be avoided if possible.

Wage Formation

- In some Member States there had been a widening of wage inequalities.

- Changes in the way that wages are determined, such as the growth in performance related pay, and the decline of traditional forms of collective bargaining in some Member States, had reduced control over monitoring and maintaining an equitable wage.
- Labour market developments such as the growth in non-standard forms of employment have affected the ability of Member State governments to influence wage policy.

Information on Wages

- Transparency in wage information remains a problem area for all Member States. Wage statistics are often too general and out of date.
- Labour market developments such as the fragmentation of pay bargaining may undermine the basis for monitoring and setting minimum wages in some Member States.
- Data of the structure of earnings and changes in income differentials are not generally available on an EU-wide basis and some Member States questioned the value of such data.
- On the basis of the data available from 7 Member States (Germany, France, Italy, the Netherlands, Austria, Portugal and the United Kingdom) it seems that the distribution of wages has become wider over time, with the partial exception of the Netherlands over more recent years. Furthermore, it seems that the distribution of earnings in services is wider than the distribution in industry.

The Commission identifies a number of important areas for future activity. These include:

- The dissemination of good practice on employment conditions in general and wages in particular at the level of the enterprise.
- Monitoring the development of continuous training, its impact on earnings and its value to the employer.
- Encouraging improvements in reliable and up-to-date information on wage determination and levels in all Member states and selected competitor countries.
- Encouraging the development of national vacancy information and access to this by all part of the labour market, in particular, job seekers.



The Dublin Declaration On Employment

FOCUS

In December 1993 the Brussels European Council decided to introduce a monitoring process in relation to the development of EU Employment and Labour Market Policy, the main feature of which was an annual review - at the December European Council meeting - of progress towards achieving the objectives set out in the Action Plan on Employment adopted by the Brussels Council. The first such review took place in December 1994 at the Essen Council and shaped the structure of subsequent reports. The latest review took place in December 1996 at the Dublin Council and gave rise to the "Dublin Declaration on Employment". The full text of the Dublin Declaration is reproduced below.

The Jobs Challenge Dublin Declaration on Employment

Employment continues to be the first priority for the European Union and the Member States and their greatest challenge. The need for firm and sustained action has never been greater. While in the Union as a whole there has been a slight increase in employment over the past year, the European Council remains deeply concerned at the slow pace of progress.

However, there are clear grounds for optimism. Macroeconomic developments in the form of low inflation, fiscal consolidation, lower interest rates, and improving confidence levels and investment profitability are all creating the conditions for increased growth and employment.

While primary responsibility in the fight against unemployment rests with the Member States, the Union must support to the fullest extent their efforts to promote employment and minimise unemployment. In this regard, the European Council reaffirms its commitment to developing and deepening the integrated employment strategy, embracing macroeconomic policies and policies of structural reform, which it has developed since Essen and calls for it to be pursued with determination and consistency.

In its deliberations the European Council has endorsed the Joint Report on Employment of the Council and the Commission which has been prepared under the Essen strategy and has drawn on the Commission's first report on the initiative for "Action on Employment: A Confidence Pact". It has also taken account of President Chirac's Memorandum on a European Social Model.

In considering future action by the Union the European Council has also been mindful of the contribution of the Standing Committee on Employment and the outcome of the high level meeting of the Social Dialogue Committee in Dublin on 29 November.

It is necessary to continue with macroeconomic policies oriented towards stability, growth and employment. The European Council therefore endorses Member States efforts to achieve budgetary

consolidation. There is no conflict between sound macroeconomic and budget policies on the one hand and strong and sustainable growth in output and employment on the other. The European Council emphasises that the selective restructuring of public expenditure should have a major role to play in promoting growth and employment especially through investment in human resources and active labour market policies. The positive impact of appropriate macroeconomic policies is enhanced where there is greater co-ordination of economic and structural policies as outlined in the Commission's report Europe as an Economic Entity.

The commencement of Economic and Monetary Union (EMU) and the introduction of the euro in line with the provisions of the Treaty, will mean the creation of a zone of stability which will consolidate and strengthen the single market through the elimination of transaction costs and exchange rate risk for trade, tourism and investment among participating member States. EMU and the euro will make an important contribution to generating the stable macroeconomic framework necessary for sustainable employment.

To secure the maximum benefit in employment terms from the economic growth which can be anticipated in the period ahead, the European Council endorses the direction outlined in the Joint Report on Employment and the necessity to pursue, in accordance with national circumstances, policies of structural reform aimed at redressing deficiencies in Europe's labour markets and those in the Single Market for goods and services.

Labour market efficiency and investment in human resources need to be enhanced by:

- promoting life-long learning through incentives both for employers and workers;
- the development of a forceful human resources policy to meet the skills requirements of the new organisation of working life, driven by the new information and communication technologies;
- the creation of a labour market which is more open to employment through the increased responsiveness of individuals and enterprises to economic change;
- the modernisation of the organisation of work and increased mobility.



To promote this, public policy should seek to combine worker protection with greater flexibility. In this process, and particularly in the interests of equality, vulnerable groups - unemployed women, unemployed youth, the long-term unemployed - should be given particular support. Member States are encouraged:

- with a view to promoting equal opportunities, to take the necessary steps to desegregate the labour market and to ensure that the high representation of women in part-time employment does not exclude them from training to enhance their future employability;
- to focus training and work experience on the particular needs of young people, to provide an effective response to the needs of early school leavers, and to consider means to encourage young people to take starter employment; the agreement between the social partners on the integration of the young in the field of work is particularly valuable;
- to take early action in a framework of active solidarity to prevent the unemployed drifting into long-term unemployment, in particular by supplementing training with individual counselling as necessary.

Taxation and social protection systems should be made more employment friendly. The European Council stresses the importance for the Member States of creating a tax environment that stimulates enterprise and the creation of jobs as well as a more efficient environment policy. More specifically, taxation and social protection systems need to be made more employment-friendly by:

- ensuring that these systems provide clear incentives for job seekers to take jobs or participate in other employment enhancing activities and for employers to hire more workers;
- developing social protection systems so that they not only provide unemployed people with a replacement income but also actively encourage participation in or preparation for work, so as better to promote reintegration and reduce dependence;
- developing social protection systems capable of adapting to new patterns of work and of providing appropriate social protection to people engaged in such work.

Efforts to modernise the markets for goods and services and exploit new sources of employment should be intensified by:

- speeding up implementation of outstanding internal market legislation so as to maximise the benefits of the Single Market;
- promoting the development of the services sector, with particular reference to Small and Medium-sized Enterprises (SMEs);
- exploiting new sources of employment. The fields of environmental protection and social services offer particularly promising prospects in this context.

European competitiveness should be advanced by:

- developing benchmarking as a tool for regular monitoring and evaluation of EU competitiveness against best world practice;

- striving to be at the forefront of the development of information and communication technologies, which are of crucial importance for employment and competitiveness; increased efforts are required of the Member States, the Council, the Commission and Industry to face the challenge of the Information Society;
- continuing the dialogue between Council and Commission in order to improve the effectiveness of state aid control and to reinforce control mechanisms;
- implementing the recently-agreed programmes for further improving the competitiveness of SMEs.

Local development should be promoted by:

- recognising the potential for stimulating employment growth, especially in new forms of work, targeting more effectively the needs of the unemployed and supporting the establishment and development of new businesses through vibrant local economies;
- securing the future of rural areas through a mobilisation of the entire rural economy;
- promoting an exchange of best practice and experience in this domain, and to report on the findings to the European Council at the end of 1997;
- mobilising the resources and contribution of all relevant actors, including public authorities and the social partners at local level.

In this context, the European Council notes that many Member States have been developing the capacity of local communities to participate actively in their own development and welcomes the positive reactions concerning the development of Territorial Employment Pacts, as proposed by the Commission.

Conclusion

The European Council urges Member States to continue with determination and consistency in their efforts to implement the Essen strategy and thereby to achieve a lasting improvement in the conditions for the generation of sustainable employment. At its meeting in December 1997 it intends to review again the implementation of this strategy. It anticipates that the Council and the Commission will in its Joint Report on that occasion attempt to identify the practices in Member States which have shown themselves to be most effective in implementing the strategy and to identify the remaining structural obstacles to reducing unemployment.

The European Council endorses the call in the paper on the Confidence Pact from the President of the Commission for a commitment by all the social and economic agents, including the national, regional and local authorities, the social partners and the Community institutions, fully to face their responsibilities in regard to employment within their respective spheres of activity. On the basis that their efforts are complementary, they should pursue a concerted drive to create the conditions necessary for employment.



Updated Seveso Directive

The Council adopted a new Directive on the control of major accident hazards involving dangerous substances on the 9th December 1996 and the full text has just been published in the Official Journal (L10/97). The Directive is intended to replace the 1982 Seveso Directive. The 1982 Directive - named after the site of a major chemical accident in Italy in 1976 established requirements relating to the accident risks of several industrial activities.

Whilst the original Directive was updated and amended on several occasions, for some time now it has been felt that there was a need for a comprehensive redraft, and the current Directive has been under discussion for several years. The 1982 Directive will eventually be fully replaced by the new Directive following the 2 year period Member States have for introducing the necessary legislation to comply with the new requirements. Some of the main changes introduced by the new Directive are:

- An extension in the types of installations covered by the Directive so that the new Directive will cover all establishments where dangerous substances are present in "sufficiently large quantities to present a major accident hazard"
- Additional requirements in relation to the provision of information: to competent authorities, to staff working at installations and to the wider general public.

The Directive sets out the general obligations of the site operator in relation to such things as safety reports and emergency plans. It also establishes a number of general duties for the "competent authorities" in each Member State including ensuring there is no potential "domino effect" resulting from the close location of several installations involving the potential for major accident hazards.

Employment And Labour Market Committee

The Council Decision establishing the new Employment and Labour Market Committee has been published in the Official Journal (L6/1997). The new Committee will fulfil a similar role to that of the Economic Policy Committee which provides advice to the ECOFIN Council. Its aim will be to assist the Council in carrying out its responsibilities in the field of employment and labour market affairs. In particular, the Committee will:

- Keep close track of employment trends for men and women in the Community and monitor the Member State's employment and labour market policies;

LEGISLATION

- Facilitate exchanges of information and experience between Member States and with the Commission in these fields.

The Committee will prepare reports and proposals for the Council on these questions. It may, on its own initiative, undertake work within its area of competence. The Committee will consist of two representatives appointed by each Member State and two representatives of the European Commission. Representatives are likely to be at senior civil servant level.

Posting Of Workers Directive

Directive 96/71/EC on The Posting of Workers In The Framework Of The Provision Of Services was adopted by the Council on the 16th December 1996 and has now been published in the Official Journal (L18 of the 21st January 1997). The Directive applies to undertakings who post workers to another Member State and to temporary employment agencies who hire out workers to another Member State. Basically the Directive provides for workers - in certain circumstances - to benefit from the terms and conditions provided for by law and collective agreement in the Member State they are posted to. The terms and conditions covered by the Directive include:

- maximum work periods and minimum rest periods;
- minimum paid annual holidays;
- minimum rates of pay, including overtime rates;
- the conditions of hiring-out workers, in particular the supply of workers by temporary employment agencies;
- health, safety and hygiene at work;
- protective measures with regard to the terms and conditions of employment of pregnant women or women who have recently given birth, of children and of young people;
- equality of treatment between men and women and other provisions on non-discrimination.

Certain limitations are placed on the above rights where - in the case of initial assembly and/or the first installation of goods - the period of posting does not exceed eight days. A number of other exemptions and conditions are provided for. Member States are required to introduce the necessary laws to comply with the Directive by the 16th December 1999



European Foundation Work Programme 1997 - 2000

Globalisation of the market, the impact of the information society, demographic and structural change and a persistently high level of unemployment - these are the factors which are placing unprecedented pressure on the economic and social structure of the European Union. These are also the issues which have played an important part in the determination of the new 1997-2000 Work Programme of the European Foundation. The six major areas which the Foundation will give priority attention to during the final part of the decade are:

Employment: Objectives include identifying impediments and opportunities for employment growth, accessing the potential offered by increased flexibility and changing patterns of life, examining new approaches and working methods to increase involvement of social actors in issues of job creation, and improving understanding of the job creation potential of the social economy.

Equal Opportunities: Objectives include evaluating strategies to promote equal opportunities and analysing the impact of the information society and other economic and labour market changes.

Health and Well-Being: Objectives include investigating new methods of improving the quality of life, identifying costs and benefits of measures to promote health at work and in private life, and assessing the quality and effectiveness of public services which affect health and well-being.

Sustainable Development: Objectives include identifying ways to promote awareness and change by industry and facilitating shared responsibility and participation by the main social actors.

Social Cohesion: Objectives include examining concepts of active citizenship and analysing outcomes of innovative developments in policy and practice.

Participation: Objectives include monitoring, evaluating and exploring approaches to participation.

Social Cohesion

Since 1985, the Dublin-based European Foundation for the Improvement of Living and Working Conditions has been undertaking research into the problems of social cohesion. The main aim of its social cohesion programme is to identify solutions to the problems relating to the living conditions of the most disadvantaged citizens of Europe. In particular, it has tried to identify ways and means to:

EUROPEAN FOUNDATION

For The Improvement Of Living And Working Conditions

- reduce inequality generated by social and economic imbalances;
- increase the involvement of all those concerned (including the social partners and NGOs);
- improve integration and co-ordination both between different levels of decision-making and across the various policy sectors such as employment, social welfare, housing and health.

The Foundation has just published a short pamphlet (23pp) which contains a brief review of the various individual programmes undertaken by the Foundation in the field of social cohesion and lists the main publications which have resulted from these programmes. Amongst the individual research topics covered are the following:

- Combating age barriers in job recruitment and training (1994-96)
- Locally-based responses to long-term unemployment (1985-1988)
- The role of partnership in promoting social cohesion (1994-1996)
- Coping with social and economic change at neighbourhood level (1987-1993)
- Consumer-orientated action in public services (1992-1996)
- Care and employment (ongoing)

Working Time

With the move towards increasing flexibility in patterns of work attention is being increasingly focused on alternatives to the traditional 8 hour per day, five days per week pattern of work. One such alternative is the "compressed working week". This description is normally used to mean any arrangement of fixed working hours of more than eight hours a day which results in less than five full days a week. The latest edition of the Bulletin of European Studies on Time ("BEST") which is published by the European Foundation for the Improvement of Living and Working Conditions looks at the detailed arrangements that can be found for compressed working time, examines some of the more common systems, reviews the stated advantages and disadvantages of the system and attempts to evaluate the effectiveness of this type of working based on experience in a number of EU Member States.



Debate On Employee Consultation

Speaking at the close of the European Parliament debate on employee consultation (16th January 1997), European Social Affairs Commissioner Pdraig Flynn paid tribute to the work undertaken by Parliament, and the rapporteur - Winfried Menrad - in particular. Mr Flynn said: "As Mr Menrad emphasises in his report, the Commission communication addresses two main subjects. The first is the need for a Community level framework for information and consultation in national undertakings. The second concerns the attempt to break the deadlock regarding the European Company Statute and a number of other related proposals, all of which are pending and are important in the fulfilment of the internal market.

Regarding the first issue, I very much welcome the positive approach which you have adopted. In the light of the consultations which have followed the Commission's communication, I shall be presenting to the Commission in the coming months a proposal to initiate the procedure for the consultation of the social partners at European level. I very much hope that the social partners will be willing and able to identify the content of the rules which should apply here and to reach an agreement on how these rules will be put in place.

The second issue raised in the communication is very complex as illustrated by the fact that the Commission is seeking to break a deadlock which has existed for more than a quarter of a century. This deadlock deprives European industry of a very valuable instrument - the European Company Statute - which would be extremely useful in helping industry to adapt to the new single market conditions and to become more competitive world-wide."

EP President Calls For Treaty To Include Anti-Discrimination

The President of the European Parliament, Mr José María Gil-Robles, speaking on the 30th January 1997 at The Hague, called for anti-discrimination measures to be included in the Treaty. Addressing the conference to inaugurate European Year against Racism and Xenophobia, Mr Gil-Robles proposed that an article outlawing discrimination be included among the general provisions of the new Treaty on European Union, so that it would apply directly, without legislation needing to be enacted.

He told the conference - attended by the Dutch Prime Minister, Mr Wim Kok, and the Commission

EUROPEAN PARLIAMENT

President, Mr Jacques Santer - of Parliament's concern at the resurgence of racist, xenophobic and anti-semitic behaviour in Europe, and highlighted the resolution adopted by Parliament on 30 January calling on the Intergovernmental Conference to grant the Commission a right of initiative, allow Council decisions to be taken by majority vote and grant Parliament a right of co-decision in this area.

Mr Gil-Robles stressed Parliament's backing for the Dutch Presidency's efforts to speed up the creation of a European monitoring unit on racism and xenophobia, so that it could be operational by 1998. The three institutions' representatives will sign a declaration of intent against racism and xenophobia in the course of the conference.

European Year Against Racism

Meeting at its regular Brussels "Mini-Session" on the 29th January 1997, the European Parliament held a discussion on the campaign against racism which co-incided with the launch of the European Year Against Racism. The debate saw the participation of the Dutch Minister for the Interior, Hans Dijkstal, the Social Affairs Commissioner, Pdraig Flynn, and a large number of MEPs.

Replying to an MEP who raised the question of the UK veto against the establishment of a European Observatory on Racism, Mr Dijkstal said there had been no veto as such. There were some legal problems, he told MEPs, but every effort would be made to overcome them. For the Commission, Pdraig Flynn looked forward to the inclusion of a clause in the new Treaty prohibiting racism and felt that the best way of showing EU help was through finance for specific projects. It was important, he added, to show the contributions made to European society by ethnic minorities and exhibitions and video campaigns were being made to portray this. He also looked forward to a seminar on training.

Despite the conciliatory words of the Dutch Presidency, many MEPs attacked the position of the UK Government in relation to the planned observatory. Graham Watson (Somerset and North Devon, ELDR) said that the Year against Racism could not have come at a more needy time. He warned the House that xenophobia and racism was



encouraged by government policy when police forces became all white and male helping to seclude the young and create pockets of ethnic minorities. He emphasised the need for a pan-European strategy of awareness and solidarity, and the establishment of a European Observatory. He called on the Union not to go down the same road as the UK government.

Right To Look For Work And Receive Benefits In Other Member States

The February Plenary Session of the European Parliament held a debate on the rights of unemployed citizens to look for work in other Member States on the 18th of February 1997. In the debate, Ria Oomen-Ruijten discussed the advantages of the Commission's proposal to modify a 1971 regulation to allow unemployed people to spend up to three months while looking for a job in another Member State without losing their entitlement to benefit. To benefit from the new rules, job seekers would have to register within seven days at the employment office in the Member State concerned and be subject to its control procedures. To discourage 'benefits tourism' the rate and duration of the benefits would be limited to the lower of the levels applicable under the legislation of two states concerned. She was anxious to ensure that 'paid up' social security rights would not be lost and emphasised safeguards should be introduced to safeguard abuse.

Commissioner Pádraig Flynn said unemployed persons should be able to choose their country of residence and be able to stay for more than 3 months and still have access to benefit. Agreeing to MEP Alain Pompidou's request to delete the reference to exception for Belgium and a reduction in the transitional period for Luxembourg from 10 years to 5 years, he said the Commission's proposal would be modified. The Commission's proposal on benefits was approved with technical amendments relating to Belgium and Luxembourg.

Committee On Employment and Social Affairs

On Thursday 6th February 1997, the European Parliament Committee on Employment and Social Affairs, chaired by Stephen Hughes MEP, adopted a draft report prepared by Wim Van Velzen MEP concerning the Commission Green Paper on living and working in the information society. According to the Committee, the Green Paper fails to put

people first in the development of information society, and lays a one-sided emphasis on work, jobs and the competitiveness of the economy. The Committee believes that the EMU convergence criteria and the stability pact make it particularly difficult to provide the information society with a socially just basis. Therefore, it calls on the Commission and the Member States to draw up a European framework for shorter working hours, which would enable a fair distribution of work and provide more scope for training.

The Committee urges the Commission to submit a proposal on teleworking which would cover all aspects of social security, health and safety, as well as privacy and fiscal aspects. According to the report, the Commission should intensify its efforts to achieve a common fiscal policy which would lay increasing emphasis on the taxation of energy and raw materials, and provide alternative forms of taxation in the global information society.

The same meeting adopted a draft report prepared by Mrs Johanna Boogerd-Quaak MEP on the demographic situation in the European Union. In the report, the Committee stresses that demographic changes will have a strong impact on European labour market situation, social protection and the costs of health care. The Committee urges the Council and the Member States to maximize employment efforts for elderly people, women, young people and immigrants, and calls on the Commission to initiate a debate on the future of health care for the elderly. Finally, the Committee calls on the Commission to give due consideration to the growing regional imbalances, and to incorporate the demographic aspect in the post-1999 framework of the Structural Fund.

State Of The Parties In The European Parliament

The state of the various political groups in the European Parliament, as of the beginning of February 1997, was as follows:

Group of the Party of European Socialists	214
Group of the European People's Party	181
Group Union For Europe	56
Group of the European Liberal, Democratic and Reform Parties	43
Confederal Group of the European United Left / Nordic Green Left	33
Group of the European Radical Alliance	20
Group of Independents for the Europe of Nations	18
Non-Attached	33



Social Affairs Council December 1996

The Social Affairs Council meeting in Brussels on the 2nd of December 1996 under the chairmanship of Irish Labour Minister, Eithne Fitzgerald, approved the joint report by the Ecofin and Social Affairs Council on Employment which was later submitted to the Dublin Summit meeting. Commenting on the adoption, Social Affairs Commissioner Pdraig Flynn said that the Report underlined the need for continuity in the policies advocated since the Essen Summit. The Commissioner went on to say that the Report did not just simply restate the broad priorities agreed at Essen, it contained a number of quite specific recommendations for action. These included:

Public Expenditure: In addition to it being reduced, the Report says it should be restructured in such a way as to give priority to active labour market measures over passive ones and to growth enhancing investment, including investment in human resources.

Human Resources: The Report suggests that these should be treated in the same way as other business investments.

SME's: The Report says that special tools should be developed to facilitate the introduction in small and medium sized enterprises of innovative practices for the re-organisation of work

The Commissioner noted that the Report also defined a certain number of clear objectives for strengthening the Essen process in 1997, such as the establishment of the new Employment and Labour Market Committee. The Report calls on the Dublin Summit to continue the macroeconomic strategy for employment and growth, increase efforts to modernise markets and exploit new sources of employment, focus on labour market efficiency, make taxation systems more employment friendly, and strengthen the interplay between macroeconomic and structural policies.

Ministers also had a "purely political" debate on the follow-up to the European Court's ruling in the Kalanke case. Several different viewpoints emerged, some Member States supporting the Commission plans to modify the 1976 Directive on Equal opportunities, some wanting to go further to protect the concept of positive discrimination, and some believing that modification was unnecessary.

Social Affairs Commissioner Pdraig Flynn regretted these differences of opinion which he felt were delaying talks on the issue.

NEWS

In addition to these discussions on employment and equality, the Council meeting discussed the following:

Employment and Labour Market Committee:

The Council adopted the necessary Decision to bring about the formation of this new Committee.

Burden of Proof In Sex Discrimination Cases:

The Council reached political agreement on the draft Directive on the burden of proof in sex discrimination cases. The Directive is being taken under the Maastricht social policy agreement procedures (i.e. without the participation of the UK). The European Parliament have still give its opinion on the draft Directive and following that it is likely that the Council will agree on a "Common Position".
Equal Opportunities For The Disabled: The Council adopted a Resolution on equal opportunities for the disabled.

Health and Safety - Exposure to Chemical Agents:

The Council "took note" of the information provided by the Presidency with regard to the long-running discussions and arguments over the draft Directive on the protection of workers from the risks of chemical agents in the workplace. Ministers hope to reach agreement on the Directive during the first half of next year.

Lifelong Learning: The Council received a report on the European Year of Lifelong Learning which will come to an end during December.

Social Security: The Council approved various social security measures including the Directive on equal treatment between men and women which follows up the Barber judgment of the European Court.

ETUC Resolution On Employment

The ETUC Executive Committee adopted a Resolution on Employment and the Dublin European Council on the 12th of December. The Resolution stresses that the success or failure of the Council will depend above all on the conviction and commitment with which it addresses and acts upon the major concern of Europe's citizens today - mass unemployment and job insecurity.

The ETUC points out that it has demonstrated - in its response to President Santer's call for an Employment Pact and in its collective bargaining strategies, that it is prepared to play its full part in developing and implementing policies which can



effectively fight unemployment and social exclusion. What has so far been lacking, the resolution points out, is a commitment from the public authorities to the Employment Pact. Unless there is a firm and clear commitment, particularly with regards to the funding of Trans-European Networks, then the ETUC states that the European Council will have to bear its responsibility for the failure of the Pact. In its Resolution, the ETUC also urges Europe's monetary authorities to respond fully to the stability that has already been achieved in the European economy, and to which working people have contributed greatly.

The Resolution goes on to welcome the fact that the Irish presidency has responded to the ETUC demand for the addition of an employment chapter to the Treaty. But the ETUC insists that it be made clear in the Treaty that economic, monetary and employment policies must be co-ordinated and must be made mutually coherent and consistent. Equally, the ETUC say, efforts to reach agreement on a Stability Pact must not lead to misuse of the EMU convergence criteria nor hinder any necessary flexibility in applying these criteria, since that would make a policy for promoting employment impossible. Finally, the ETUC urges the Dublin Council to seize the opportunity to consolidate and complete Europe's social dimension.

Employment In Europe 1996

The European Commission has recently published its 1996 Employment in Europe Report which presents the latest trends in employment in the European Union. As with previous reports, it analyses the current situation and outlines a series of policy issues which have to be addressed if the employment problem has to be tackled. Some of the main issues raised in the Report are as follows:

- Employment-friendly growth must be based on an offensive strategy to promote increased demand rather than a defensive strategy based on the sharing of existing jobs.
- Reforms of the production and employment systems must contribute to employment-intensive growth by addressing structural rigidities in product, service and labour markets to enable them to function efficiently.
- There is considerable evidence that European labour markets are becoming more flexible in terms of work organisation.
- The skill level of the European workforce is a critical element in the potential development of future jobs. The challenge posed by new technology demands an urgent response to the need for increasing the skills of the workforce.

- More emphasis must also be given to training for the unemployed to combat the process of de-skilling and to give them better access to jobs.
- The long-term unemployed now account for over 50% of all unemployed workers. Policy action must focus both on the reintegration of the long-term unemployed and the prevention of long-term unemployment.
- Evidence suggests that a gradual shift towards more active labour market policies has been achieved.

European Court Ruling On Contract Of Employment

The European Court of Justice has issued a preliminary ruling in the case of *Petrus Wilhelmus Rutten v Cross Medical Ltd*. The case was referred to the Court by the Netherlands Supreme Court in order to get an interpretation of a 1968 Convention on jurisdiction and the enforcement of judgements in civil and commercial matters.

The case relates to proceedings between Mr Rutten, a Netherlands national residing in Hengelo, Netherlands, and Cross Medical Ltd, a company incorporated under English law whose registered office is in London, following termination of his contract of employment by his employer. The case revolves around the interpretation of the phrase "place ... where the employee habitually carries out his work" which is contained in Article 5(1) of the Convention. Mr Rutten carried out work on behalf of his employer in several Member States.

The Court held:

'Article 5(1) of the Convention of 27 September 1968 on Jurisdiction and the Enforcement of Judgements in Civil and Commercial matters, as amended by the Convention of 26 May 1989 on the Accession of the Kingdom of Spain and the Portuguese Republic, must be interpreted as meaning that where, in the performance of a contract of employment, an employee carries out his work in several Contracting States, the place where he habitually carries out his work, within the meaning of that provision, is the place where he has established the effective centre of his working activities. When identifying that place, it is necessary to take into account the fact that the employee spends most of his working time in one of the Contracting States in which he has an office where he organises his activities for his employer and to which he returns after each business trip abroad.'



New Technology and Employment

At its plenary session on 27th of November 1996 the Economic and Social Committee adopted an own-initiative Opinion on the impact of new technologies on employment. The opinion follows on from those drawn up at the special "employment" plenary session organised by the ESC in October 1995. Its purpose is to enlarge upon, update and study in greater detail the subjects discussed on that occasion. In its Opinion, the ESC puts forward a number of recommendations and proposals, including:

- the right conditions must be created for broadening the democratic debate on what social model will provide the best conditions for making full use of new technologies;
- the role of the public sector must be reassessed and updated if the infrastructure is to be created which is needed to develop and apply the new technologies and to ensure that they spread rapidly through the whole productive fabric.
- the Committee believes that the need to boost competitiveness and the development of new management theories call for radical changes in company organisation;
- changes in organisation, new technologies and new competition conditions necessitate new labour relations;
- among the various ways of defining the rules for the new organisation of work, the ESC considers that consultation and negotiation with workers' representatives correspond best to the European social model. By means of a social dialogue resistance to change can be overcome.
- the opinion also focuses on the worsening social and regional exclusion, due to the speeding-up of the technology-growth-employment dynamic;
- it recommends active policies to assist poorly-qualified workers and first-time job-seekers, especially in the less-favoured regions;

ETUC Delegation Meets Luxembourg Government

A delegation from the ETUC met with the Prime Minister of Luxembourg, Jean-Claude Juncker, on the 21st of January to discuss themes that were likely to be important during the Luxembourg presidency later this year.

One of the key areas of the discussion, according to the ETUC, was the future of the EMU stability and growth pact. The ETUC delegation stressed that the pact would only gain acceptance from workers and the public if it was backed by a strategy

designed to reduce unemployment. Thus, it needs to be a stability, growth and employment pact. Mr Gabaglio said "Stability is essential, but employment deserves the same attention and political will as achieving economic stability". In discussing the IGC and Treaty reform, the ETUC General Secretary, Emilio Gabaglio underlined the ETUC's strong commitment to seeing an employment chapter and the principles of the Charter on Fundamental Social Rights written into the Treaty. Another priority outlined by the ETUC delegation was that tax harmonisation must proceed at the same pace as social harmonisation.

Speaking to the press, the ETUC General Secretary said that there was a broad convergence of views between the ETUC and the Head of the Luxembourg Government both on the problems and the necessary solutions. The ETUC welcomed the Luxembourg government's intention to use its presidency to give social issues the priority currently lacking in terms of the enlargement negotiations with Central and Eastern European countries.

Social Partners Continue Negotiations On Part-Time Working

The three European level social partner organisations - the ETUC, CEEP and UNICE - held their third negotiating session on part-time work on the 20th and 21st January 1997. According to a ETUC statement the negotiations are nearing deadlock.

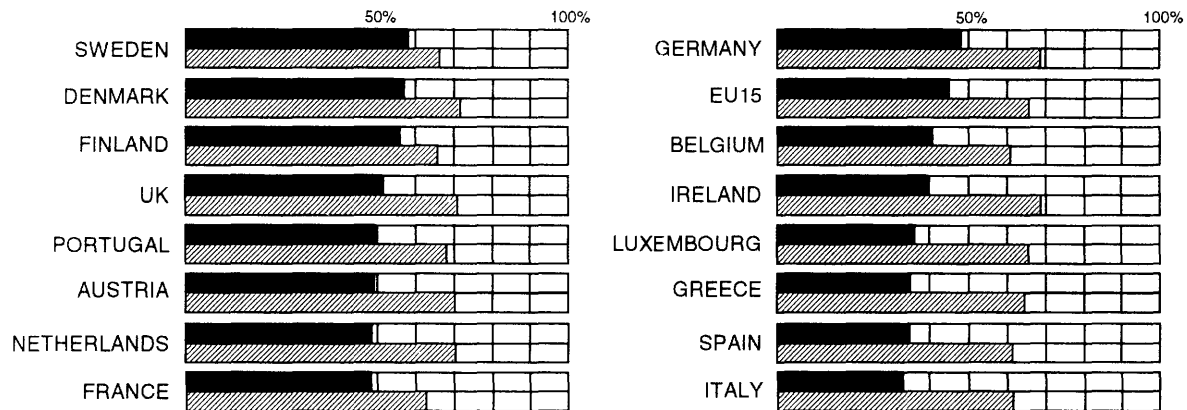
The ETUC states: "Once again, the employers tried to shut out as many part-time workers as possible from the benefits of a European Framework Agreement. Far from reducing the insecurity and discrimination suffered by this type of casual worker, this line of argument would actually increase both.

The ETUC left the employers in no doubt that the talks could not go ahead on this basis. The ETUC also pressed the need for a joint line towards the Council of Ministers on equal treatment in social protection / social security matters. The ETUC delegation insisted that the employers should make their minds up on these matters before the next negotiating session on the 24th February"

These are the second-stage consultations on part-time working under the Social policy Agreement and Protocol.

ACTIVITY RATES OF MEN AND WOMEN IN
THE LABOUR MARKET IN EU MEMBER STATES**STATISTICS**

Economic Activity Rates (% "economically active") 1995



Source : Eurostat, 1997

CONTINUOUS VOCATIONAL TRAINING IN THE EUROPEAN UNION

Eurostat has just published the results of its first survey into Continuing Vocational Training (CVT) in the EU. The research was undertaken in 1993.

Employees and CVT Course Participation in 1993

Country	Employees of CVT providers as % of all employees of all enterprises	Employees who participated in CVT courses as % of employees of CVT providers	Employees who participated in CVT courses as % of employees of all enterprises
EUR12	82	35	28
Belgium	67	41	25
Denmark	93	37	34
Germany	96	25	24
Greece	54	24	13
Spain	57	36	20
France	87	42	36
Ireland	87	49	43
Italy	53	27	14
Luxembourg	80	30	24
Neth.	82	32	26
Portugal	39	35	13
UK	93	41	39

PERCENTAGE UNEMPLOYMENT IN EU MEMBER STATES

% unemployed October and November 1996 (Figures for Greece and Italy not available)

	Nov	Oct		Nov	Oct
Luxembourg	3.3	3.2	Belgium	9.5	9.6
Austria	4.0	4.1	Sweden	10.1	10.0
Denmark	5.5	5.6	EU15	10.9	10.9
Netherlands	:	6.4	Ireland	11.9	12.1
Portugal	7.1	7.1	France	12.5	12.4
United Kingdom	7.5	7.9	Finland	15.3	15.0
Germany	9.3	9.1	Spain	22.3	22.3

CONTACTS

INFORMATION - ORGANISATIONS - PUBLICATIONS

European Commission Offices

AUSTRIA

Kärntnerring 5-7
1010 Wien
Tel: 00 43 1 51618-0

BELGIUM

Rue Archimède/
Archimedesstraat, 73
1000 Bruxelles/Brussel
Tel: 00 32 2 295 38 44

DENMARK

Højbrohus
Østergade 61
Postbox 144
1004 København K
Tel: 00 45 33 14 41 40

GERMANY

Zitelmannstraße 22
D-53106 Bonn
Tel: 00 49 228 53 00 90

Kurfürstendamm 102
D-10711 Berlin
Tel: 00 49 30 896 09 30

Erhardtstraße 27
D-80331 München
Tel: 00 49 89 202 10 11

GREECE

2 Vassilissis Sofias
Case Postale 11002
Athina 106 74
Tel: 00 30 1 725 10 00

FINLAND

Pohjoisplanadi 31
P.O. Box 1250
00101 Helsinki
Tel: 358 (0)9 622 6544

FRANCE

288 Bld St Germain
75007 Paris
Tel: 00 331 40 63 38 00

CMCI / Bureau 320
2 rue Henri Barbusse
13241 Marseille Cedex 01
Tel: 00 33 491 91 46 00

ITALY

Via Poli 29
00187 Roma
Tel: 00 39 6 699 991

IRELAND

Jean Monnet Centre,
18, Dawson Street, Dublin 2
Tel: 00 353 1 662 5113

LUXEMBOURG

Bâtiment Jean Monnet
Rue Alcide de Gasperi
2920 Luxembourg
Tel: 00 352 431 34925

THE NETHERLANDS

Korte Vijverberg 5
2513 AB Den Haag
Tel: 00 31 70 346 93 26

UNITED KINGDOM

Jean Monnet House
8 Storey's Gate
Westminster
London SW1P 3AT
Tel: 00 44 171 973 1992

Windsor House
9/15 Bedford Street
Belfast BT2 7EG
Tel: 00 44 1232 240 708

SPAIN

Paseo de la Cas
tellana, 46
28046 Madrid
Tel: 00 34 1 431 5711

SWEDEN

Nybrogatan 11
PO Box 7323
10390 Stockholm
Tel: 00 46 8 562 444 11

PORTUGAL

Centro Europeu Jean Monnet
Largo Jean Monnet 1-10°
1200 Lisboa
Tel: 00 351 1 350 98 00

Other Organisations

European Foundation for the Improvement of Living and Working Conditions.

Loughlinstown House, Shankill,
Co. Dublin, Ireland.
Tel: 00 353 1 282 6888
Fax: 00 353 1 282 6456

MISEP Secretariat

Institute for Applied Socio-
Economics.

Novalisstrasse 10,
D-10115 Berlin, Germany
Tel: 00 49 30 2 82 10 47
Fax: 00 49 30 2 82 63 78

JANUS

Secretariat:
André Garrigo, Cives Europe,
Bld Clovis 12a/Clovislaan 12a, B-
1040 Brussels.
Fax: 00 32 2 732 23 92.

CEDEFOP

European Centre for the Devel-
opment of Vocational Training
Marinou Antipa, 12
Thessaloniki (Thermi)
57001 Greece
Tel: 00 30 31 490 111
Fax: 00 30 31 490 102

European Trade Union Insti- tute (ETUI)

Boulevard Emile Jacqmain, 155
B - 1210 Brussels, Belgium.
Tel: 00 32 2 224 0470
Fax: 00 32 2 224 0502

European Trade Union Confederation (ETUC)

Boulevard Emile Jacqmain 155,
1210 Brussels, Belgium.
Tel: 00 32 2 224 0411
Fax: 00 32 2 224 0455

EUROPEAN TRADE UNION INFORMATION BULLETIN

Produced by MBO Education & Training Ltd 3, Dorchester Road, Fixby, Huddersfield, UK.
Fax: 00 44 1484 423 828 E-mail: AB@mboelma.demon.co.uk
with the support of the Commission of the European Communities (DGX)