European Trade Union Information Bulletin



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The Future of European Industrial Relations and Social Policy

The future shape of European industrial relations and social policy is powerfully sketched out in three important new documents reviewed in detail in this edition of the *Bulletin*.

A blueprint for the development of European social policy is provided by the European Commission's **Medium Term Social Action Programme** which covers the last three years of the decade. Several new initiatives are previewed including consultation with the social partners on work organisation and teleworking. The Commission will also propose legislation to combat racial discrimination and issue a Communication on issues affecting older people.

The European social dialogue will play a central part in the development of industrial relations and social policy over the coming years and the Commission have just issued a major Communication on the Future of the Social Dialogue at Community Level. As well as strengthening the cross-industry social dialogue the Communication also presents a major restructuring of the sectoral social dialogue and the Standing Committee on Employment.

Finally, and possibly as far as the future shape of industrial relations is concerned, most importantly, the **High Level Group on the Economic and Social implications of Industrial Change** has issued its Interim Report. Amongst the recommendations are that larger companies should be required to publish an Annual Social Report and, where industrial restructuring entails reduction of the workforce, be required to draw up a plan giving priority to redeploying staff both internally and elsewhere.

Full details of these three important developments can be found in the following pages.

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EUROPEAN TRADE UNION INFORMATION BULLETIN

Industrial Employment

Employee Involvement

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Produced by MBO Education &
Training Ltd 3, Dorchester Road,
Fixby, Huddersfield, UK.
Fax: 00 44 1484 423 828
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European Commission Social Action Programme 1998 - 2000

BACKGROUND

The last major review of European social policy took place during 1993 and 1994 when the European Commission published both a Green Paper and a White Paper on the future development of European social policy. This eventually led to the adoption by the Commission of a Medium-term Social Action Programme covering the years 1995 - 1997. The development of European-level social policy has now been taken a stage further with the publication of a new Social Action Programme covering the final years of the decade, 1998 - 2000 (*).

Prefacing the proposals contained in the new Action Programme, the Commission reviews the achievements of recent years. These include the fact that employment policy has now moved decisively to the top of the European agenda, the fact that the debate on social policy has been broadened and deepened, and that the linkages between social policy and other Community policies have been strengthened. The Commission also notes that a number of key proposals have been adopted by Council and that this process has been facilitated "by the use of the more collaborative form of decision making involving the social partners, introduced by the Maastricht Agreement on Social Policy"

The introduction to the Programme notes, however, that the European Union continues to face significant social challenges. Three such challenges are identified:

Unemployment:

The Commission notes that unemployment remains stubbomly high, particularly for young people, women and the long term unemployed. "There is a considerable labour reserve that can be drawn on to boost participation and employment rates", says the Commission, but they warn that a growing skills gap risks undermining Europe's competitiveness and people's employability.

Change:

Both globalisation and the emerging Information Society are bringing about rapid changes in the world of work, affecting work organisation, working patterns and skill requirements. "In the future, the keyto success will be greater adaptability", says the Commission.

Social Exclusion:

The Commission notes that poverty and social exclusion exist side by side with prosperity and wealth and many people continue to suffer from discrimination, inequality and poor health. The challenge, saysthe Commission, is to adapt Europe's social protection systems to better meet existing demand in a cost-effective way while responding to new needs and changing circumstances.

In addition to these three challenges, social policy overthe next three years will need to respond to three other significant changes. The first is economic: the period in question will see the realisation of economic and monetary union and the initial introduction of the single currency. The second factoris the demographic trends that, throughout the European Union, are leading to an older workforce and a change in the balance between the working and retired population. Thirdly, with preparation for the enlargement of the Union gathering pace, social policy will have an important role to play in helping citizens of the applicant countries make the transition to a market economy.

The new Social Action Programme is designed to build on the achievements of recent years and respond to the three major challenges mentioned above. The Commission believes that the adoption of the Treaty of Amsterdam has provided a platform for the strengthening of social policy in a number of ways:

- by introducing a new employment title to complement provisions on economic and monetary union;
- by introducing new provisions on equal opportunities, exclusion, anti-discrimination and public health;
- by incorporating the Maastricht Agreement on Social Policy within the main body of the Treaty.

In order to achieve its objectives, the Commission states that it will be making use of a balanced mix of policy instruments that will involve:

- partnership and policy development;
- financial support and incentives; and
- legislative initiatives.

Details of the various proposals are contained in the following summary tables.

European	Trade Union Information Bulletin Issue 2/98 Page 3			
JOBS, SKILLS AN	ID MOBILITY			
AREA	PROPOSAL			
Employment Strategy	The Commission will ensure the full implementation of the employment strategy, centred around annual the annual presentation and assessment of the Employment Guidelines and, where necessary, the formulation of Recommendations to Member States.			
Broad Economic Guidelines	The Commission will ensure that the Broad Economic Guidelines and the Employment Guidelines are mutually reinforcing and promote a consistent economic strategy for growth, stability and employment.			
Employment Information	The Commission will enhance the exchange of best practice and innovation and the provision of analytical information on the employment and labour market situation in each Member State. They will also assist in the development of an agreed compatible database and agreed indicators in order to monitor the implementation of the Employment Guidelines.			
Undeclared Work	Following on from its recent Communication, he Commission will launch a debate during 1998 on how best to tackle the problem of undeclared work.			
Public Employment	The Commission intends to stimulate a European-wide debate on the modernisation of public employment as a tool for tackling unemployment.			
Job Creation	The Commission will continue to promote the development of innovative forms of job creation through local development measures (including territorial employment pacts and the social economy) under the Structural Funds.			
Entrepreneurial Development	The Commission will continue its efforts to develop a culture of entrepreneurship in Europe.			
Lifelong Learning	The Commission will encourage Member States to increase the level of investment in human resources and lifelong learning under the Structural Funds, particularly the ESF.			
Education and Training	The Commission will present proposals in 1998 for the new generation of education and training programmes to replace the Leonardo and Socrates programmes.			
Workplace Training	The Commission will encourage the Social partners to conclude agreements with a view to increasing the possibilities for workplace training and work experience.			
Equal Opportunities	The Commission will ensure that equality of opportunity is mainstreamed within the Employment and Economic Guidelines.			
Family Responsibilities	The Commission will seek to develop with Member States family-friendly employment strategies and improve care provision for children and adult dependants.			
Disabled Workers	The Commission will present a Communication in mid-1988 on raising employment levels of people with disabilities.			
Free Movement	The Commission will present by mid-1998 a package of proposals to adapt and update key legislation in the field of free movement. It will also further develop the European Employment Service (EURES) and develop co-operation with national authorities and the social partners to ensure the efficient functioning of the existing legal framework.			
THE CHANGING WORLD OF WORK				
AREA	PROPOSAL			
Work Organisation	The Commission will present a Communication at the end of 1998 on work organisation and adaptability. They will also consult social partners on a possible Framework Agreement on all elements of work organisation. In addition they will identify the issues to be addressed at EU level to adapt legal frameworks to encourage more adaptable contractual arrangements, including the link between social protection and changing working patterns.			

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AREA	PROPOSAL			
Social Dialogue	The Commission will present a Communication in mid-1998 on adapting and promoting social dialogue at Community level.			
Teleworking	During 1998, the Commission will consult the social partners on the need for Community action on the protection of teleworkers.			
Working Time	The Commission will present proposals in mid-1998 to protect workers currently excluded from the Working Time Directive.			
Financial Participation	The Commission will launch an initiative to encourage greater employee participation in companies by highlighting good practice and identifying obstacles.			
Training	The Commission will bring forward clear guidelines concerning state aids for training.			
Industrial Change	The Commission will follow up the work of the High Level Group on the Implications of Industrial Change.			
Information and Consultation	The Commission will pursue the adoption of minimum standards for national information and consultation. In 1999, the Commission will present a report on the operation of the European Works Council Directive.			
Information Society	The Commission will present a report to the Vienna European Council on the prospects for the development of electronic commerce, open networks and multimedia tools and their impact on training and employment. The Commission will also develop specific actions to maximise the contribution of the information society to promoting employment, equal opportunities and social inclusion. At the same time they will continue to build an "Information Society dimension" into their other policies and actions.			
Health and Safety	The Commission will "focus on the effective implementation and application of existing legislation and complete the current Community programme on health and safety at work. They will present proposals to update and complete existing legislative initiatives (e.g. scaffolding, carcinogens), adapt standards to technical and scientific progress and examine the need to cover risks not presently covered (e.g. musculo-skeletal disorders, new working patterns). They will also seek to improve statistical data on occupational health and safety and promote Europe-wide dissemination of information on best practices.			
AN INCLUSIVE	SOCIETY			
AREA	PROPOSAL			
Social Protection	The Commission will present, early in 1999, an evaluation of the progress made following the 1997 Communication on modernising and improving social protection systems. The Commission will present proposals before the end of 1998 for the reform and simplification of Regulation 1408/71 on the co-ordination of social security schemes.			
Equal Treatment	The Commission will present a proposal in 1999 to update and complete the legislative framework for equal treatment in social security schemes between men and women.			
Tax Systems	The Commission will focus in particular on making tax and benefit systems more employment friendly			
Demographics	The Commission will provide further analysis of demographic trends and deepen the debate on their implications for economic, social and employment policies.			
Supplementary Pensions	The Commission will follow up its 1997 Green Paper on Supplementary Pensions.			
Social Inclusion	The Commission will present a Communication on Social Inclusion during 1998			

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AREA	PROPOSAL			
Labour Market Integration	The Commission will examine the possibility of presenting a proposal setting out a framework to promote the integration of those excluded from the labour market and of proposing incentive measures to combat social exclusion.			
Poverty	The Commission will develop at EU level statistical indicators on poverty and social exclusion.			
Older People	The Commission will present during 1999 a Communication on issues affecting older people.			
Refugees	The Commission will propose a programme for the integration of refugees.			
Gender Equality	The Commission will ensure that equal opportunities is mainstreamed into all relevant Community policies and develop specific actions to improve the situation of women including action to combat the problems of sexual harassment at work, the participation of women in decision-making and violence against women.			
Racial Equality	Once the new Treaty is ratified, the Commission will present a proposal for legislation to combat racial discrimination. In addition it will implement the 1998 Action Plan against racism and ensure the start-up of the Monitoring Centre on Racism and Xenophobia. It will also consider the possibilities of introducing a Framework Programme to combat all forms of discrimination.			
Public Health	The Commission will "take forward the debate on the development of public health policy" taking into account the emerging demographic challenges and new public health threats. It will continue to pursue the strategy on combating tobacco consumption, implement existing health programmes, and press for the adoption of outstanding proposals (rare diseases, pollution-related diseases, and accidents and injuries).			
THE EXTERNAL DIMENSION OF SOCIAL POLICY				
AREA	PROPOSAL			
Enlargement	The Commission will work to ensure the gradual involvement of accession countries in social policy programmes and activities and promote the social and civil dialogue as essential pillars of the European social model. It will also assist applicant countries to ensure full adoption and implementation of existing social policy measures and contribute through financial assistance (particularly the PHARE Programme) to the development and adaption of the social infrastructure in the candidate countries.			
Worldwide Social Progress	The Commission will present a Communication during 1998 on the development of the external dimension of European social policy. In addition, it will maintain support for the promotion of international labour standards and seek to enhance co-operation between the ILO and the WTO. The Commission will also maintain an emphasis on co-operation in the field of social policy in the Community's bilateral relations with third countries.			

The conclusions to the Action Programme state:

"This Communication has sought to set out the next steps for European social policy as the Union moves into a new and deeper phase of integration. It provides a framework within which the process of social policy renewal will be taken forward, with the aim of reinforcing the core values of the European social model while ensuring that the Union is well placed to respond to new and emerging challenges in a fast changing world. In this way, the social policy agenda can be kept under review by all concerned - the European Institutions, the social partners and civil society - and adapted as necessary, with the aim of ensuring that social policy stays where it belongs, at the heart of a People's Europe"

(*) Social Action Programme 1998 - 2000 European Commission COM (98) 259 29th April 1998





High Level Group on the Economic and Social Implications of Industrial Change

BACKGROUND:

A possible blueprint for industrial relations in the twenty-first century is contained in a report just released by the European Commission. Recommendations for a significant enhancement of the social dialogue process, greater consultation and the requirement for companies to draw up "redeployment plans" in situations where reductions in the workforce are envisaged are contained in the interimreport of the High Level Group on the Economic and Social Implications of Industrial Change.

The Group was established in January this year following arecommendation by last Octobers' Special Employment Summit, however its origins can be traced back to the "Vilvoorde Crisis" of March 1997 when the carfirm Renault decided to close its Belgium plant without any consultation with trade unions or other parties.

The Interim Report of the group, which is being chaired by Pehr Gyllenhammar, will be considered by the Cardiff European Council meeting later this month. The final report of the group will be submitted to the Vienna European Council in December.

The Interim Report recommendations are contained under three main headings: anticipating change, reinforcing the capacity for change, and managing crisis. They deal with a wide range of issues, including the social dialogue, information and consultation, training, and local employment pacts.

RECOMMENDATIONS:

Anticipating Change:

• The Commission should establish an observatory on industrial change which would collate economic forecasts and provide a forum for meetings, discussions and dissemination of information. It could make use of the internet and the WWW to provide opportunities for on-line discussion.. It could also organise informal meetings of social partners and public authorities which could promote the development of sectoral and local dialogue.

- The Group believes that ongoing debate on future prospects and strategies is the best way to anticipate change. It recommends that large corporations and international groups go beyond the requirements of current legislation and set up permanent forums for dialogue with staff representatives as well as for their information and consultation.
- The Group recommends that consultancy services for small and medium sized enterprises and vocational guidance services for individual workers should be developed. These should make use of the information gathered by the industrial change observatory.

Reinforcing The Capacity For Change:

- The Group recommends the launch of an "Entrepreneurship for Europe" programme which will provide a mechanism for exchanges within the Community and thus a sharing of skills and experience.
- The Group calls for increased promotion of small and medium sized enterprises by the establishment of "one stop shops" and "the elimination of all kinds of administrative barriers"
- The Group recommends promoting the innovation of products and services by removing remaining restrictions on market access and by reinforcing public research and technological development programmes.
- Top priority must be given to the **development**of a low cost, efficient information infrastructure
 and the promotion of its use. To achieve this, the
 Group believes, the communications sector must be
 liberalised and the information society promoted.
- The Group recommends the updating of education and vocational training policies to take account of the rapidly changing need for skills. It calls for closer links between education bodies



and companies and it believes that those responsible for education should be involved in the task of anticipating change.

- The Group calls for the drawing-up of a "European Charter of New Skills" with the assistance of employers organisations and trade unions.
- The Group recommends that companies be encouraged to make public what they are doing to ensure the "employability" of their staff.
- The Group recommends that public funds earmarked for education be used for training young people and the long-term unemployed. It believes that in the case of workers training for a new occupation, the cost cannot be carried by companies alone and that the investment should be shared between companies and governments.
- The Group recommends that **employers** and trade unions negotiate agreements on flexibility and change in working time.
- Employers and employees should work together on a "continuous improvement programme" to increase the adaptability of their business.
- The Group would like to see the launch of a European programme for disseminating information about new forms of work organisation.
- The Group recommends that EU governments should do all that they can to strengthen social dialogue at both company and regional level. They should also broaden it to address issues such as training, adaptability and employability.. The social dialogue at European level should also be strengthened particularly in areas such as information and consultation of employees.
- The Group recommends that large companies should publish an **annual social report**. This should describe the company's social policy, progress made in the areas of employability, adaptability, training, personnel, improvement of working conditions, equality for men and women, access for minorities and people with disabilities, and the conditions of social dialogue. Wherever possible, these reports should be drawn up in consultation with staff representatives.

Managing Crisis:

- The Group recommends that, where industrial restructuring entails reduction of the workforce, companies should be required to draw up a plan giving priority to redeploying staff both internally and elsewhere. Companies which lay of staff without paying due heed to their future employability could face some form of sanction.
- The Group recommends that territorial employment pacts, or similar forms of consultation between all the economic and social players, be entered into in regions affected by restructuring. The impetus for consultation should come from local authorities so as to replace crisis management with a collective strategy addressing both social problems and the problem of redeveloping the region.
- The Group recommends that public employment services should focus increasingly on training people, matching supply and demand so as to get them back to work.
- The Group feels that transparency of state aids is essential. It recommends that Member States should report annually on all aids granted whilst companies should report on all aids received.

Finally, the Group comments that it is for public authorities, including those at European level, to set binding minimum standards that lay the basis for preventing and penalising improper behaviour.

Commission Welcomes Report and Confirms That Legislative Initiative on Information and Consultation Rights Will be Launched Shortly

Speaking in Brussels on the occasion of the launch of the Interim Report, Social Affairs Commissioner Padraig Flynn congratulated the Group on producing "such an excellent interim report". He particularly welcomed the fact that the Group agreed on "the need to create a European framework for information and consultations with employees". He said that like the Group, he too believes that "the social partners should preferably find practical solutions through agreements" and regretted that this has not so far been possible.

MrFlynn confirmed that in the absence of progress in this area from the social partners, he will proceed to launch a legislative initiative shortly.





Commission Communication on Adapting and Promoting the European Social Dialogue

BACKGROUND

The incorporation of the concept of social dialogue (the involvement of representatives of management and workers in the development of social policy) within the European policy-making framework can be traced back to the very earliest European Treaty. Article 18 of the 1951 Treaty of Paris (which brought into being the European Coal and Steel Community) established a Consultative Committee of "producers, workers and consumers", and a similar approach was followed by the Treaty of Rome, Article 193 of which established an Economic and Social Committee.

However, it was not until 1985 and the launch of the Single Market programme that a formal system of regular negotiations between employers and workers was created. The new Commission President, Jacques Delors, invited the leaders of the various employers organisations (represented by UNICE and CEEP) and trade unions (represented by the ETUC) to a meeting at Val Duchesse just outside Brussels, inviting them to "mobilise and play their part in this new stage in building Europe".

A regular series of "Val Duchesse" meetings was initiated and these led to a number of agreements, declarations and joint-opinions. Amendments to the main European Treaty in 1987 (Single European Act) and 1993 (Maastricht Treaty) provided a more formal involvement of the European social partners (ETUC, UNICE and CEEP) and under the Protocol and Agreement on Social Policy - which initially covered just 14 Member States but now, effectively, covers all 15 - the European social partners were provided with an opportunity to conclude agreements which subsequently could be adopted as legislation by the Council. It is this process which was used for the recent Directives on Parental Leave and Part-Time Work.

The growing importance of the social dialogue process has highlighted the need for both increasing its profile and reforming its structures in order to strengthen it and make it more adaptable. These needs were underlined in the Consultation Communication on the future of the Social Dialogue

whichwas published by the Commission in September 1996. The purpose of that Communication was to encourage the widest possible participation of organisations in planning the future development of the Social Dialogue. Having reviewed all the responses to the 1996 Communication, the European Commission have now published a new Communication (*) which sets out the means which they intend to use to adapt and promote the social dialogue at European level.

OVERVIEW

The Communication sets out a number of key actions aimed at achieving the goals of a more open social dialogue, more effective consultation and dialogue and the development of a collective bargaining process at European level. The Communication lists a number of key actions - grouped into four main fields: information, consultation, employment partnership and negotiation - through which the Commission intends to adapt and promote the future social dialogue.

INFORMATION

The Commission believes that access to information is crucial for the development of the social dialogue. Two types of information flow are important:

- information on ongoing policy developments and similar matters which allow the European social partners and their members to keep up to date and thus provide the necessary ingredient for dialogue at European level.
- information on the activities and policies of the social partners which can allow the European institutions to take account of their views.

The Commission notes that it has recently put in place specific information tools that supplement its general information policy and these include:

- The Social Dialogue Newsletterwhich keeps the social partners abreast of major developments.
- An annual Status Report on the Social Dialogue.
- An interactive database with an electronic network which the social partners will be connected on line is currently under development.

^(*) Commission Communication: Adapting and Promoting the Social Dialogue at Community Level. COM (98) 322 20/5/98.



KEY ACTIONS: FUTURE DEVELOPMENTS

- The Commission will reinforce its current practice of assembling representatives of cross-industry and sectoral organisations at European level at a quarterly Liaison Forum.
- The Commission will take steps to improve the diffusion of information to all European organisations representing management and labour.
- The Commission will ensure that the results of the social dialogue are made known to other European institutions and all other relevant actors.

CONSULTATION

The Commission notes that consultation of the social partners has developed gradually over the years and currently takes three forms:

1. Consultation at cross-industry level:

The Commission intends to systematically consult the cross-industry social partners on all important developments in the economic and social policy fields. Despite some criticism of the Advisory Committee system, the Commission still believes these can serve a useful purpose as a means of tripartite consultation with the social partners.

KEY ACTIONS: FUTURE DEVELOPMENTS

- * The Commission will develop and broaden its practice of consultation on those developments in the social field not covered by the formal consultations under Article 3 of the Agreement on Social Policy (ASP).
- The Commission will propose that the Advisory Committee on Social Security for Migrant Workers merge with the Advisory Committee on Freedom of Movement for Workers.
- Once the Amsterdam Treaty enters into force, there will be one legal basis for proposals on health and safety at work and legislative proposals will fall under the process of consultations of the social partners. However, the Commission believes that the Advisory Committee on Safety, Hygiene and Health Protection will remain a key body for consultation on health and safety issues.
- The Commission will, on a case by case basis, adapt where necessary the structures of the advisory committees.

2. Consultation at sectoral level:

In responses to the Consultation Communication, calls were made for a more effective consultation process on specific sectoral issues. There was general agreement that the current structures often hindered positive developments and that the joint-committees and informal worker groups had become over-institutionalised.

KEY ACTIONS: FUTURE DEVELOPMENTS

- The Commission will establish a new framework within which the sectoral dialogue can continue its development. The framework will be applicable on the same terms to all sectors wishing to take part in the social dialogue and will be easily extendable to new sectors. The Commission has therefore decided to adopt a Decision on the establishment of new sectoral dialogue committees which will replace all current sectoral dialogue structures.
- The new committees will constitute the key forum for the sectoral dialogue and will be set up in all sectors which submit

- a joint request and are sufficiently well-organised with a meaningful European presence.
- The operating procedures will be streamlined: one high-level plenary meeting each year, a restricted social partner delegation, reimbursement for maximum of 15 participants from each side.
- DGV will service and chair meetings and support the work of the committees along with other relevant DGs

3. Consultation under Article 3 of the SPA

Article 3 of the Maastricht Agreement on Social Policy (SPA) introduced a two-stage consultation procedure on legislative proposals on social policy. The vast majority of respondents to the Consultation Communication were in favour of maintaining the current criteria for determining which organisations should be consulted. Some organisations believed that the current six-week time limit for each consultation stage should be extended, whilst others favoured strict time limits.

KEY ACTIONS: FUTURE DEVELOPMENTS

- The formal consultation on proposed legislation will continue to be based on the procedures laid down in the 1993 Communication and the general six-week time limit for each stage will be maintained. The Commission will, however, be prepared to adapt the deadline in particular cases depending on the nature and complexity of the subject.
- An updated list of organisations meeting the three criteria for determining who should be consulted is attached to the current Communication. The Commission will revise this list periodically.

EMPLOYMENT PARTNERSHIP

The key body for tripartite discussions on employment has been the Standing Committee on Employment, which was set up in 1970. There has been much criticism of the operation of this Committee and it is felt that it has not kept up with either changes in the social dialogue process or changes in the scope of European employment policy. Therefore a new, rationalised process allowing the social partners to contribute in the most effective way to the development and implementation of the Employment Guidelines and Broad Economic Orientations is required.

KEYACTIONS: FUTURE DEVELOPMENTS

- The Commission proposes to reform the Standing Committee on Employment as follows. The reformed Standing Committee on Employment will be composed of the Council, represented either by the troika of Heads of State or Government, or of the full Council of Ministers, together with the Commission and the two social partner delegations (eight members from the trade union side and eight members from the employers' side). The Committee will meet before the meetings between the European Council meeting at the end of each Presidency.
- The technical meetings between the Employment and Labour Market Committee's (ELC) Steering Group and the social partners should also be linked directly to the yearly process foreseen in the context of the Employment Guidelines.
- The social partner delegations to the meetings of the Standing Committee on Employment and the meetings between the social partners and the ELC should be such that the composition of each delegation covers the whole economy, including supervisory and professional staff and SMEs.



NEGOTIATIONS

In the case of negotiations between the social partners, as with the case of consultations, the Communication examines the current situation at three distinct levels.

1. Joint action and negotiations at cross-industry

The most active dialogue at cross-industry level has in recent years taken place within the Social Dialogue Committee, where the three cross-industry organisations - UNICE, CEEP and the ETUC conduct their autonomous dialogue. The three organisations have also recently decided to use the same structures for their joint contributions to the employment process. Many respondents to the Consultation Communication felt that an "openingup" of the cross-industry dialogue was necessary in order to enrich the process and have its results more widely spread. For its part the Commission, whilst continuing to support the cross-industry dialogue in its current form, makes a strong appeal to the social partners to 'take the necessary steps to ensure that their dialogue remains strong and continues to attract widespread support".

2. Joint action and negotiation at sectoral level:

Therewas general agreement among the respondents to the Consultation Communication that the sectoral dialogue provides for an effective level of intervention on the questions of employment, work organisation and the improvement of working conditions as it is closest to grass roots and best able to anticipate change. However, it was felt that its potential as a site for joint action and negotiation of agreements is by nomeans used to the full. The Commission encourages the further development of joint action and negotiations, both in qualitative and quantitative terms. The new social dialogue committees will be conducive to the establishment of flexible forms of work enabling the social partners, if they so wish, to initiate joint action or enter into negotiations on voluntary agreements.

3. Negotiations under Article 3 of the ASP:

Article 3(4) of the ASP stipulates that the social partners can, during the on-going consultation process, inform the Commission of their desire to embark upon a process of negotiation. The Commission believes that the two agreements concluded so far under this process (parental leave and part-time work) constitute important steps forward for European industrial relations and European social policy. The Commission considers that the development of contractual relations, as set out in the new Treaty, is a most effective mechanism to implement relevant commitments on social policy.

KEYACTIONS: FUTURE DEVELOPMENTS

- The negotiating parties to an agreement to be implemented through legislation under Article 4(2) of the ASP must ensure that the subjects for discussion remain within the remit of Article 2 of the ASP. The Commission will help and support the social partners in any way it can by providing any political, technical and legal back-up.
- * The Commission will continue to inform the European Parliament of the initiation of consultations and the opening and conclusion of negotiations under Article 3 of the ASP. It will also inform the Parliament as soon as the social partners ask the Commission to draw up a legislative proposal for the implementation of an agreement to enable it to give its opinion in due time on the proposal before the Council reaches its formal decision.
- Issues related to the role of the European institutions in the decision-making process under the ASP will be the subject of further discussions between the Commission, the Council and the European Parliament.

NEW PROSPECTS

Finally the Communications examines a number of new prospects for the further development of the social dialogue process.

Enlargement:

The Commission believes that it is essential that the applicant countries develop social dialogue structures and activities. The Commission will assist the social partners in the European Union in developing links and practical co-operation at cross-industry and sectoral level so as to encourage the development in Central and Eastern Europe of independent, representative trade union and employers' organisations.

Developing a European industrial relations and partnership culture:

The Commission will organise a conference in 1998 to take stock of the agreements on information and consultation concluded in transnational undertakings. The Commission also supports the social partners decision to establish a European Centre for Industrial Relations as a centre of learning where members of employer and trade union organisations from EU Member States can study together the differing industrial relations systems in Europe.

The means for promoting the social dialogue:

To promote the social dialogue at Community level there is a need to improve the political and logistical conditions so that dialogue can take place and provide prior and subsequent technical support to the various organisations taking part. The Commission also supports initiatives by the social partners at European and national level aimed at placing greater emphasis on the Agreement on Social Policy, including preliminary awareness-raising measures and support for follow-up activities.



List of European social partner organisations currently consulted in accordance with Article 3 of the ASP

This list will be adapted according to the criteria set out in Commission Communication COM(93) 600 final of 14 December 1993 concerning the application of the Protocol on Social Policy, par.24, following the periodic results of the ongoing representativeness study.

1. General cross-industry organisations

- Union of Industrial and Employers' Confederations of Europe (UNICE)
- European Centre of Enterprises with Public Participation (CEEP)
- European Trade Union Confederation (ETUC)

2. Cross-industry organisations representing certain categories of workers or undertakings:

- European Association of Craft, Small and Medium-Sized Enterprises (Joint Committee of Social Dialogue: UEAPME-EUROPMI)
- Confédération européenne des cadres (CEC)
- Eurocadres

3. Specific organisations

EUROCHAMBRES

4. Sectoral organisations

- EUROCOMMERCE
- COPA/COGECA
- EUROPECHE
- Association of European Cooperative Insurers,
- International Association of Insurance and Reinsurance Intermediaries, BIPAR
- European Insurance Committee, CEA
- Banking Federation of the European Community
- Savings Banks Group of the European Community, GCECEE
- Association of Cooperative Banks of the EC
- European Confederation of woodworking industries, CEI-bois
- Confederation of the National Hotel and Restaurant Associations in the EC. HOTREC
- European Construction Industry Federation

- European Regional Airlines Association, ERA
- Airports Council International European Region, ACI-Europe
- Association des compagnies indépendantes de la Communauté européenne, ACE
- Association of European Airlines, AEA
- Organisation européenne des bateliers
- International Union for Inland Navigation
- European Community Shipowners Association, ECSA
- Community of European Railways, CER
- International Road Transport Union, IRU
- Industrial Cleaning European Federation, FENI

5. European Industry Committees with ETUC affiliation

- FEM/EMF (Metal.)
- EURO-FIET (Commercial, Clerical and Technical Employees)
- European Committee Communications International
- EFA (Agricultural workers)
- EEA (Media)
- ECF (Food and Horeca)
- FSESP/EPSU (Public Services)
- FST (Transport)
- CSEE/ETUCE (Education)
- FETBB/EFBWW (Building Woodworkers)
- FGE/EGF (Graphical)
- FSE-THC/ETUF-TCL(Textiles)
- **EMCEF (Miners, Chemical and Energy)**
- FEJ-FIJ/EFJ-IFJ (Journalists)
- EFDPS (Diamond and Precious Stone Workers)

List of existing Joint Committees which will be replaced by new Sectoral Dialogue Committees.

- a) Joint Committee on Maritime Transport
- b) Joint Committee on Civil Aviation
- c) Joint Committee on Inland Navigation
- d) Joint Committee on Road Transport
- Joint Committee on Railways
- **Joint Committee on Telecommunications** Services
- g) Joint Committee on Social Problems of Agricultural Workers
- Joint Committee on Social Problems in Sea **Fishing**
- Joint Committee on Postal services



Direct Participation In Organisational Change

The European Foundation for the Improvement of Living and Working Conditions has released an analysis of the results of a survey undertaken in the Autumn of 1996 into the extent of direct participation in European enterprises. The survey was undertaken as part of the EPOC project (Employee Direct Participation In Organisational Change). Direct participation is defined in terms of the EPOC project as individual consultation and delegation and group consultation and delegation. Some of the key results of the 1996 survey were:

- Direct participation is more likely in workplaces with white collar occupations, task complexity, team activity, high qualifications and internal training;
- Four out of five workplaces practised at least one form of direct participation but only 4% had the complete array of all six forms;
- There was little evidence of the adoption of the Scandinavian model" of group work;
- Productivity and quality of working life concerns far out-ranked other motives in all countries in the decision to introduce direct participation;
- All forms of direct participation were considered to have a strong impact on economic performance. In the case of quality, nine out of ten respondents reported a strong impact;
- Around one third of respondents reported a reduction in absenteeism and sickness;
- The introduction of direct participation was accompanied by a reduction in the number of employees or managers in around one third of all workplaces, however there was more likely to be reductions in employment in workplaces without direct participation than those with it;
- The more employees that were informed, the greater the economic effect

The EPOC surveywas conducted in workplaces in ten countries of the EU. Responses by organisations in the service sector accounted for 57% of total responses, industry for 36% and construction 7%. The broad statistical results were as follows:

	The Incidence of Direct Partic	cipation by Country
	% of workplaces with direct participation	absolute number of workplaces with direct participation
Ten Country Average	82	4,731
Denmark	81	545
France	87	520
Germany	81	674
Italy	85	326
Ireland	82	409
Netherlands	90	454
Portugal	61	182
Spain	65	298
Sweden	89	652
UK	83	671

	Type 1	Type 2	Type 3	Type 4	Type 5	Type 6
10 country average	35%	40%	31%	30%	55%	36%
Denmark	27%	45%	30%	28%	57%	30%
France	52%	33%	40%	34%	54%	40%
Germany	20%	38%	26%	31%	64%	31%
Ireland	39%	22%	36%	28%	62%	42%
Italy	32%	42%	42%	21%	44%	28%
Netherlands	38%	73%	26%	35%	59%	48%
Portugal	25%	18%	20%	25%	26%	26%
Spain	30%	20%	23%	23%	40%	10%
Sweden	29%	45%	34%	29%	69%	56%
United Kingdom	52%	40%	33%	41%	53%	37%
Type1= individual co	nsultation "fac	ce to face"	Type2= ir	idividual consu	ıltation "arms le	ength"
Type 3 = group consultation : temporary groups		Type 4 = group consultation : permanent groups				



NEWS



European Works Councils in Graphical and Print Sector

The European Graphical Federation (EGF) has published a Report examining the progress made so far in establishing European works Councils (EWCs) in the printing and publishing sector. The figures contained in the Report suggest that a greater proportion of EWCs have been established in the printing and publishing sector than in most other economic sectors. According to the latest figures EWCs have already been established in about one-third of the companies to which the Directive applies. The latest estimates suggest that this figure is 46% in the paper, printing and publishing sector. The main body of the Report provides a detailed analysis of the 32 agreements already established in this sector:

The analysis is based on:

- Coverage of the Agreement
- Composition of the EWC.
- The basis of allocating employee representatives.
- Method of selecting employee representatives
- The period of office.
- The position of full-time trade union officials.
- The tasks and procedures of the EWCs

Commenting on the Report, EGF Secretary Francois Ballestero said "by striving to achieve positive and numerous EWC agreements, the EGF and its affiliates are proving their determination to win new collective rights for their members at the core of industrial power in the graphical sector. In the coming months, the EGF will undertake additional efforts to consolidate these achievements and sign new agreements throughout Europe, including Britain"



Transnational Trade Union Rights

At its meeting on the 2nd of March the European Parliament Committee on Employment and Social Affairs adopted a Report prepared by Roa Oomen-Ruijten MEP on transnational trade union rights. The Report calls for:

- The right of free association be written into the Treaty on European Union.
- The European social partners organisations to be given the specific right to engage in collective bargaining at European level.

- The right to collective bargaining and collective action to be guaranteed.
- Management and labour organisations to drawup proposals for negotiating rules and principles, including the appropriate instruments to avoid labour disputes.

In addition, the Report suggests that different types of conciliation procedures would be necessary to facilitate the resolution of transnational conflicts. The resolution to adopt the Report was carried by 17 votes to 4 with two abstentions. Those opposing the Report on the Committee argued that the whole issue should remain in the hands of labour market organisations.

The European Parliament Directorate-General for Research has published a study entitled "Trade Union Rights in EU Member States". A 44 page summary of this Report (in all Community languages) can be ordered from Mrs P Winther (Fax 00 353 4300 27720 or e-mail pwinther @europarl.eu.int).



Public Opinion Eurobarometer 48

European Union citizens are reasonably optimistic about the coming year with only 12% of people sampled in the latest Eurobarometer Survey (No. 48 Published March 1998) feeling that 1998 would be worse than 1997. The survey also shows that support for the single currency is once again on the increase - supporters once again now constitute over 50% of the sample and opponents are again less than 40%. Some of the other main general findings of the survey are as follows:

- 46% of Europeans expressed a desire to see the EU play a more important role in their daily lives at the beginning of the next century and a further 29% want to see the EU play at least the same role as it currently does.
- 41% of respondents thought that there was too little coverage of EU affairs in newspapers.
- The proportion of Europeans who feel informed about the single currency (the euro) is increasingly - 27% now feel themselves very well or well informed compared with 21% a year earlier.
- While enlargement is in many ways regarded as a positive development, EU citizens do not want to see their country's share of the EU budget reduced. As a result of the public's concern about the financial costs of enlargement, relatively low levels of support (ranging from a high of 47% for Hungary to a low of 33% Slovenia and Romania) for the inclusion of new member countries are recorded.
- Nearly 40% of the people interviewed said that they would like to see the European Parliament



play a more important role, only 10% said they wanted it to play a less important role.

 70% of respondents said that they intended to vote in the next European parliament elections which will be held in June 1999.



New Structural Fund Objectives

Under the new Commission proposals for the future of the Structural Funds, the current six objectives will be replaced by just three.

Objective 1: The purpose of the first Objective will be to help those regions most in need, that is those whose level of development (measured on the basis of figures for the last three available years in terms of GDP per head) is less than 75% of the Community average. The current Objective 1 regions that no longer qualify under the 75% criterion will have their assistance phased out gradually, over a six year period. It is even prolonged to 7 years for those former Objective 1 regions which fulfil the European criteria for Objective 2.

Objective 2: Under the new Objective 2, the EU will support the economic and social conversion of areas experiencing structural difficulties, including those in the wealthier Member States. Such areas will include areas facing industrial decline, rural zones confronted with serious problems such as depopulation, deprived urban areas; regions undergoing structural change in the services' sector and regions heavily dependent on fisheries.

Objective 3: Under the new proposals, the activities of the ESF are to be re-grouped under the new Objective 3, aimed at supporting the adaptation and modernisation of education, training and employment policies and systems across the EU.

The proposals also intend to reduce the current 13 Community Initiatives to just 3-one on trans-national, cross-border and inter-regional co-operation to stimulate regional economic development, one on rural development and a new initiative on transnational co-operation to fight all forms of discrimination and inequality preventing access to employment.



Stage II Consultation On Working Time

The European Commission has launched a second stage consultation exercise with the European-level social partners on possible proposals relating the those sectors currently excluded from the Working

Time Directive. The proposals relate to those sectors of activity which were excluded from the 1993 Working Time Directive (namely, transport employees, sea fishermen, the offshore sector and doctors intraining). The Social Partners have already responded to the initial "first stage consultation" which raised the question of whether Community legislation was necessary to extend the coverage of the Directive to the currently excluded areas. The ETUC were in favour of such an extension whilst the employers questioned the need for further legislation.

Inits proposals for a second stage of consultation the Commission suggests two complementary approaches:

- a framework proposal to amend the 1993 Directive to extend its provisions to "non-mobile" workers and to provide for all mobile workers a guarantee of adequate rest and setting out a maximum number of hours to be worked annually. The proposal would also extend the 1993 Directives' provisions on a minimum of 4 weeks paid leave and health assessments for night workers.
- sector by sector legislation which would be necessary to provide adequate health and safety protection formobile workers and offshore workers in relation to rest breaks and daily and weekly rest periods. The Commission is hoping that social partners in each sector will be able to draw up recommendations and agreements which could either form the basis of, or possibly replace, Commission proposals.

The Social Partner organisations have until mid-May 1998 to either submit the opinion on the Commission proposals or two jointly inform the Commission of their intention to undertake negotiations within the framework of the Social Policy procedure set out in the Maastricht Treaty annex.



Industrial Employment in the European Union in 1997

Employment in the industrial sector fell by 1.5% during 1997 according to the latest Eurostat figures. This compares with a 1.3% fall during 1996. The only Member States which recorded an increase in industrial employment during 1997 were Spain (+3.1%) and the United Kingdom (+0.5%) The largest falls in industrial employment were in Germany (-3.5%), Greece (-3.4%) and Portugal (-2.6%)

The figures for individual Member States were as follows:

Member State	<u>1996</u>	<u> 1997</u>
EU15	-1.3%	-1.5%
Belgium	1.1%	-0.9%
Denmark	-2.0%	n/a
Germany	-4 .1%	-3.5%
Spain	0.6%	3.1%
France	-1.3%	-1.4%
Greece	-2.6%	-3.4%
Ireland	4.0%	n/a
Italy	-0.3%	-2.4%
Luxembourg	0.2%	-0.7%
Netherlands	-1.0%	n/a
Austria	-3.9%	-2.0%
Portugal	-5.1%	-2.6%
Finland	0.5%	n/a
Sweden	1.1%	-0.4%
United Kingdom	1.0%	0.5%

Industrial employment in the United States increased by 0.4% in 1997 and in Japan it fell by 0.9%.



Employee Involvement and the European Company

At the Labour and Social Affairs Council meeting on the 7th April 1998 discussions took place on the question of employee involvement aspects of the European Company Statute and the Council mandated COREPER to intensify negotiations so as to enable the Council to reach a political agreement at its meeting on the 4th of June. There was general agreement that the basic structure of the procedure for deciding the employee involvement arrangements in a European Company (SE) would be as follows:

- priority should be given to free negotiations between the management and representatives of the employees on the form and content of worker involvement that would apply to the SE in question:
- the employee representatives should be brought together in a Special Negotiating Body (SNB), constituted according to geographical and proportional criteria (Member States from which companies participate in the setting up of a particular SE; size of those companies in terms of number of employees);
- the negotiations should be supported by a reference framework which would be obligatory if negotiations fail but management still wishes to establish the SE:
- as far as employee information and consultation is concerned, the Directive - and in particular the reference framework - should be based on the structure set out in the European Works Councils Directive, developed in terms of procedure, timing and scope to take account of recent experiences andjurisprudence

NOTICE BOARD

STEPS TOWARDS THE EURO

The latest edition of the European Trade Union Institutes' quarterly review of labour and research - Transfer provides a trade union perspective of the introduction of the single European currency-the euro. Articles examine the likely impact of the euro on wages and employment and the role of European trade unions in the new structures for determining European economic and monetary policy. For details of subscriptions to Transfer contact: The European Trade Union Institute, Boulevard Emile Jacqmain 155, 1210-Brussels. Fax: 00 32 2 224 05 13

WORKER REPRESENTATION IN EUROPE

The UK-based Labour research Department has published a guide to worker representation in the European Union. It provides, for each of the 15 Member States, detailed information on the structure of trade union confederations, collective bargaining arrangements and the mechanisms for representing employees at the workplace.

The LRD Guide to Worker Representation in Europe is available in English, at the special price of £6.50 for labour movement organisations. For details contact: Labour Research Department, 78, Blackfriars Road, London SE1 8HF.

TRADE UNIONS AND EUROPE

Copies of the special teaching pack on trade unions and Europe are still available from EUROQUAD, 53, Regency Gardens, Yardley Wood, Birmingham B14 4JS, UK. The pack contains an Organisational Book which examines the role and functions of the various institutions, a Workbook containing a set of activities designed to stimulate discussions, and a series of Factfiles on keytopics. Copies are available at £14.25p (+£1.40 postage)

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INFORMATION -**PUBLICATIONS** ORGANISATIONS -

European Commission Offices

Austria

Kärtner Ring 5-7, AT-1010 Went Phone: (43-1) 516 18 Kärtner King 5-7, Phone: (43-1) 516 18 Fax: (43-1) 513 42 25

Belaium

Rue Archimède 73 / Archimedesstraat 73 B-1040 Bruxelles / Brussel Phone: (32-2) 295 38 44 Fax: (32-2) 295 01 66

Denmark

Østergade 61 (Højbrohus) Postbox 144 DK-1004 København K Phone: (45-33) 14 41 40 Fax: (45-33) 11 12 03

Finland

Pohjoisesplanadi 31/Norra esplanaden 31 PL 234/PB 234 FIN-00131 Helsinki/Helsingfors Phone.: (358-9) 6226 544 Fax: (358-9) 656 728

France

288, boulevard Saint-Germain F-75007 Paris Phone: (33-1) 40 63 38 00 Fax: (33-1) 45 56 94 17/18/19

2, rue Henri-Barbusse (CMCI) F-13241 Marseille Cedex 01 Phone: (33-4) 91 91 46 00 Fax: (33-4) 91 90 98 07

Germany

Zitelmannstraße 22 D-53113 Bonn Phone: (49-228) 530 09-0 Fax: (49-228) 530 09-50, 530 09-12

Kurfürstendamm 102 D-10711 Berlin Phone: (49-30) 896 09 30 Fax: (49-30) 892 20 59

Erhardtstraße 27 D-80331 München Phone: (49-89) 202 10 11 Fax: (49-89) 202 10 15

Greece

2, Vassilissis Sofias, GR-10674 Athina Phone: (30-1) 725 10 00 Fax: (30-1) 724 46 20

Ireland

Jean Monnet Centre, 18, Dawson Street, Dublin 2 Ireland Phone: (353-1) 662 51 13 Fax: (353-1) 662 51 18

Via Poli, 29. I-00187 Roma Phone: (39-6) 69 99 91 Fax: (39-6) 679 16 58, 679 36 52

Corso Magenta, 59 I-20123 Milano Phone: (39-2) 48 01 25 05 Fax: (39-2) 481 85 43

Luxembourg

Båtiment Jean Monnet Rue Alcide De Gasperi L-2920 Luxembourg Phone: (352) 43 01-1 Fax: (352) 43 01-34433

Portugal

Centro Europeu Jean Monnet Largo Jean Monnet 1-10ø P-1200 Lisboa Phone: (351-1) 350 98 00 Fax: (351-1) 350 98 01/02/03

Paseo de la Castellana, 46 E-28046 Madrid Phone: (34-1) 431 57 11 Fax: (34-1) 576 03 87

Av. Diagonal, 407 bis, Planta 18 E-08008 Barcelona Phone: (34-3) 415 81 77 (5 lignes) Fax: (34-3) 415 63 11

Sweden

Nybrogatan 11, Box 7323 S-10390 Stockholm Phone: (46-8) 562 444 11 Fax: (46-8) 562 444 12

The Netherlands Korte Vijverberg 5, 2513 AB Den Haag Nederland

Postal address Postbus 30465 2500 GL Den Haag Nederland Phone: (31-70) 346 93 26

Fax: (31-70) 364 66 19

United Kingdom

Jean Monnet House 8, Storey's Gate, London SW1 P3 AT Phone: (44-171) 973 19 92 Fax: (44-171) 973 19 00, 973 19 10

9/15 Bedford Street (Windsor House) Belfast BT2 7AG Phone: (44-1232) 24 07 08 Fax: (44-1232) 24 82 41

4 Cathedral Road, Cardiff CF1 9SG Phone: (44-1222) 37 16 31 Fax: (44-1222) 39 54 89

9 Alva Street, Edinburgh EH2 4PH Phone: (44-131) 225 20 58 Fax: (44-131) 226 41 05

Other Organisations

European Foundation for the Improvement of Living and Working Conditions.

Loughlinstown House, Shankill, Co. Dublin, Ireland.

00 353 1 282 6888 Tel: 00 353 1 282 6456 Fax:

JANUS

Secretariat:

André Garrigo, Cives Europe, Bld Clovis 12a/Clovislaan 12a, B-1040 Brussels.

Fax: 00 32 2 732 23 92.

Fax:

European Centre for the Development of **Vocational Training** Marinou Antipa, 12. Thessaloniki (Thermi) 57001 Greece 00 30 31 490 111 Tel:

00 30 31 490 102

European Trade Union Institute (ETUI)

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

Fax: 00 32 2 224 0502 **European Trade Union**

Confederation (ETUC) Boulevard Emile Jacqmain 155, 1210 Brussels, Belgium. 00 32 2 224 0411 Tel:

00 32 2 224 0455 Fay:

EUROPEAN TRADE UNION INFORMATION BULLETIN



Editor: Alan Burnett IIInfoBASE EUROPE
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