



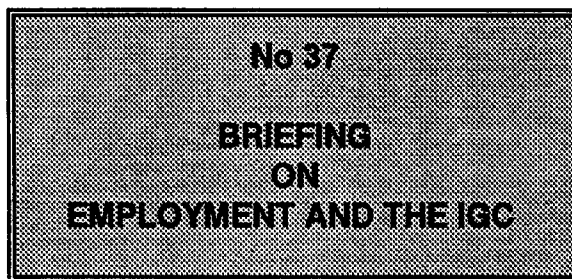
SECRETARIAT WORKING PARTY

TASK-FORCE
ON THE
" INTERGOVERNMENTAL CONFERENCE "

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These briefings have been drafted by the Parliament Secretariat Task Force on the Intergovernmental Conference. Their purpose is to gather together, in an organized, summary form, the proposals and suggestions which the authorities in the Member States, the Union's institutions and specialist commentators have put forward on the issues likely to be on the IGC/96 agenda. Briefings will be updated as negotiations proceed.

Already out:

1. The Court of Justice
2. The Commission
3. The Court of Auditors, ESC and COR
4. Differentiated integration
5. The common foreign and security policy
6. The role of the national parliaments
7. The hierarchy of Community acts
8. Codecision procedure
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10. European citizenship
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12. Public services
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28. Combating fraud
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31. Economic and social cohesion
32. European environment policy and the IGC
33. The common agricultural policy and the IGC
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35. Ending sex discrimination
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37. Employment and the IGC
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**BRIEFING
ON
EMPLOYMENT AND THE IGC**

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BRIEFING ON EMPLOYMENT AND THE IGC

1. The IGC agenda and employment

Given the extremely high level of unemployment (20 million European citizens, i.e. 11% of the working population), and in view of the topical nature of events at Renault, putting the issue of employment at the centre of the concerns of European public opinion, it is accepted without question that employment must be the key priority of the European Union. Since the Essen Summit in December 1994, when the European Council gave an impetus to the European strategy to promote employment, several European Councils have expressed the view that that strategy represents the principal social, economic and political objective of the European Union and its Member States. While it is quite obvious that the main instruments of a policy which seeks to reduce unemployment remain essentially the responsibility of the Member States, there is a growing feeling that European powers are needed in view of economic globalization and the erosion of national economic sovereignty. Strengthening the capacity of the European Union to play a part in the employment sphere is therefore an essential element in the current Intergovernmental Conference. At the present juncture in the work of the IGC, following the Dublin European Council, there actually appears to be a consensus regarding a revision of the Treaty to provide explicitly for a legal basis for action at Union level to coordinate and develop common strategies on employment.

2. The Treaty and employment

References to employment in the current Treaty appear in the following articles:

Article 2 gives the Community the task of promoting '... throughout the Community a harmonious and balanced development of economic activities, sustainable and non-inflationary growth respecting the environment, a high degree of convergence of economic performance, a high level of employment and of social protection, the raising of the standard of living and quality of life, and economic and social cohesion and solidarity among Member States.'

Article 118 gives the Commission the task of promoting close cooperation between Member States in the social field, particularly in matters relating to employment, labour law and working conditions and basic and advanced vocational training, but only empowers it to make studies, deliver opinions and arrange consultations.

Article 119 provides for the application of the principle of equal pay for male and female workers for equal work.

Article 122 empowers the European Parliament to invite the Commission to draw up reports on any particular problems concerning social conditions.

Article 123: this article defines the objectives of the European Social Fund, stating: 'In order to improve employment opportunities for workers in the internal market and to contribute thereby to raising the standard of living, a European Social Fund is hereby established in accordance with the provisions set out below; it shall aim to render the employment of workers easier and to increase their geographical and occupational mobility within the Community, and to facilitate their adaptation to industrial changes and to changes in production systems, in particular through vocational training and retraining.'

Article 127: this article, which concerns vocational training, provides that Community action in this field shall aim to facilitate vocational integration into the labour market.

There are indirect references to employment, through references to Article 2, in Articles 3, 3a, 102a (and in Article 103 by reference to Article 102a).

Employment is also an objective of the Social Protocol, which was not signed by the United Kingdom. Article 1 of the Social Protocol states:

'The Community and the Member States shall have as their objectives the promotion of employment, improved living and working conditions, proper social protection, dialogue between management and labour, the development of human resources with a view to lasting high employment and the combating of exclusion. To this end the Community and the Member States shall implement measures which take account of the diverse forms of national practices, in particular in the field of contractual regulations and the need to maintain the competitiveness of the Community economy.'

3. The Reflection Group

The Reflection Group chaired by the Spaniard Carlos Westendorp, which was instructed to produce a report on all subjects likely to be raised at the IGC, felt that, despite the fact that primary responsibility for employment rests with the Member States, the integrated economy of the Union means that it, too, has a responsibility to provide conditions favourable to job creation. Several members of the Group proposed amendments to the Treaty to make it more explicit on the objective of job creation, and some suggested an employment chapter in the Treaty.

4. The European Council

At the opening of the Intergovernmental Conference, at its meeting in Turin on 29 March 1996, the European Council held an exchange of views on the problems of growth and employment which focused in particular on the initiative by the President of the Commission regarding a European confidence pact for employment, and on that contained in a French memorandum on a European social model. The Turin European

Council stressed that it regarded job creation as a priority area and it welcomed the Italian Presidency's stated intention of giving top priority to the discussion of this issue at the Florence European Council.

In this spirit, the Florence European Council of 21 and 22 June 1996 considered the joint interim report drawn up by the ad hoc Group of Personal Representatives of Ministers of Employment and the Economic Policy Committee in collaboration with the Commission; the report had been approved by the Employment and Social Affairs Council and the Ecofin Council of 3 June 1996. The purpose of the report was to examine the employment situation in the Member States, the main measures taken to implement multiannual programmes and the political initiatives launched in the first half of 1996. In concluding its work, the Florence European Council also invited the Council Presidency to prepare a general outline for a draft revision of the Treaties, indicating that it should address the aim of bringing Europe closer to its citizens, in particular by 'living up to their expectations as regards the fulfilment of the objective of a high level of employment while ensuring social protection, examining how to provide the Union with the basis for a better cooperation and coordination in order to strengthen national policies; it should also be examined how the efforts of the governments as well as the social partners could be made more effective and better coordinated by the Treaty.'

In accordance with the request made in Florence, at the Dublin meeting of 13 and 14 December 1996 the European Council noted the preliminary draft revision of the Treaties entitled 'The European Union today and tomorrow - adapting the European Union for the benefit of its peoples and preparing it for the future', which was tabled by the Irish Council Presidency.

The European Council also subjected the strategy on growth and employment to in-depth scrutiny. On the basis of the joint report from the Council and the Commission on employment, the Commission's report on the initiative for 'Action for employment - a confidence pact' and the joint contribution by the social partners on the confidence pact which was approved in Dublin on 29 November 1996, the European Council adopted the Dublin Declaration on Employment. Pointing out that employment continued to be the top priority for the European Union and its Member States, it invited the latter to pursue, with determination and consistency, their efforts to implement the integrated employment strategy defined in Essen and confirmed its commitment to strengthen that strategy. The recommendations set out in the declaration focus, in particular, on the need: (a) to continue the macroeconomic strategy based on economic growth and employment in line with agreed economic policy guidelines; (b) to increase efforts to modernize the markets for goods and services and to exploit new sources of employment; (c) to focus on labour market efficiency and on investment in human resources; (d) to make taxation and social protection systems more employment-friendly; and (e) to strengthen the interplay between macroeconomic and structural policies in the Member States' multiannual employment programmes.

At the end of the Dublin Declaration on Employment, as a continuation of the strategy defined in Essen, the European Council invited the Commission and the Council to submit to it, at its meeting in December 1997, a joint report identifying the practices in Member

States which have shown themselves to be most effective in implementing the strategy and identifying the structural obstacles to reducing unemployment.

5. The institutions' views

5.1. The Council of Ministers

One of the priorities of the Italian Council Presidency was to increase the visibility of the 'added value' that Europe can provide with regard to employment. With that aim in mind, when the Minister of Foreign Affairs, Mrs Agnelli, presented the Presidency's programme to the European Parliament's plenary session of 17 January 1996, she announced the Presidency's intention of determining common principles to guide the policies of the Member States in the fight against unemployment, complemented by an action plan and monitoring measures. The use of the Structural Funds, the operation of the Standing Committee on Employment and the institutional basis and development of social policy were also scrutinized. The Italian Council Presidency also organized a tripartite conference on growth and employment, attended by the governments of the Member States, the two sides of industry and the Commission, which took place in Rome on 14 and 15 June.

The objective of ensuring a strong economy which would create jobs in Europe was also one of the Irish Presidency's main priorities, which were set out in a document dated 5 July 1996 highlighting the following topics: the preparation of the joint annual report on the implementation of the employment strategy defined in Essen, work within the Ecofin Council on the financial aspects of the 'confidence pact on employment', the meetings of the Council of Ministers of Employment and Social Affairs in Dublin in July 1996, centred on the prevention of long-term unemployment, the promotion of local employment initiatives, the new multiannual programme for SMEs, the information society, European action to improve industrial competitiveness and, finally, the preparations for the tripartite meeting of the social partners which subsequently took place in Cork on 7 November 1996.

During the period of the Irish Presidency, as mentioned above, the Council (Ecofin/Social Affairs) and the Commission presented to the Dublin European Council of 13 and 14 December 1996 the joint annual report on employment, which included an analysis of progress made in connection with the confidence pact on employment, a detailed assessment of the implementation of the multiannual programmes, the initial application of the system of indicators, and the conclusions of the study of the benefits created by the coordination of the policies of the European Union, as an economic entity.

The approach regarding employment suggested by the Irish Presidency in the draft revision of the Treaties of 5 December 1996 was largely inspired by the coordination mechanisms which had been put in place on a less formal footing as part of the 'Essen process'.

More specifically, with the aim of providing an explicit basis in the Treaty for action at Union level to coordinate and develop common strategies on employment, the texts proposed by the Presidency sought, in particular, to include the promotion of a high level of employment among the Community's objectives and to introduce a new title on employment into the Treaty.

'Chapter 4. Employment ... II. Texts

Employment in the General Objectives of the Treaties

Amend Article B of the TEU

The Union shall set itself the following objectives:

- to promote economic and social progress which is balanced and sustainable and a high level of employment, in particular ...

Amend Article 2 of the TEC

The Community shall have as its task ... to promote throughout the Community a harmonious and balanced development of economic activities, sustainable and non-inflationary growth respecting the environment, a high degree of competitiveness and convergence of economic performance, a high level of employment and social protection,

...

Amend Article 3 of the TEC : Additional indent before (i)

(-) the promotion of coordination between employment policies of the Member States with a view to enhancing their effectiveness by developing a common strategy for employment.

New Title on Employment to be inserted after Title VI of the TEC

Article 1

Member States and the Community shall work towards developing a common strategy for employment as provided in this Title with a view to achieving the objectives defined in Article 2 of the Treaty establishing the European Community and in Article B of the Treaty on European Union.

Article 2

1. Member States, through their employment policies, shall contribute to the achievement of the objectives referred to in Article 1 in a way consistent with the broad guidelines of the economic policies of the Member States and of the Community adopted pursuant to Article 103(2).

2. Member States shall regard the promotion of employment as a matter of common concern and shall coordinate their action in this respect within the Council, in accordance with the provisions of Article 4.

Article 3

1. The Community shall contribute to a high level of employment by encouraging cooperation between Member States and by supporting and, as necessary, complementing their action, while respecting the competence of the Member States in this field.

2. The objective of a high level of employment shall be taken into consideration in the formulation and implementation of Community policies.

Article 4

1. The European Council shall each year consider the employment situation in the Community and adopt conclusions thereon, on the basis of a joint annual report by the Council and the Commission.

2. On the basis of the conclusions of the European Council, the Council, acting by a qualified majority on a proposal from the Commission and after consulting the European Parliament, the Economic and Social Committee, the Committee of the Regions and the Employment Committee referred to in Article 6, shall each year draw up guidelines for employment policy, which the Member States shall take into account in their employment policies. These guidelines shall be consistent with the broad guidelines adopted pursuant to Article 103(2).

3. Each Member State shall provide the Council and the Commission with an annual report on the principal measures taken to implement its employment policy in the light of the guidelines referred to in paragraph 2.

4. The Council, on the basis of the reports referred to in paragraph 3 and having received the views of the Employment Committee referred to in Article 6, shall each year carry out a detailed examination of the implementation of the employment policies of the Member States in the light of the guidelines for employment referred to in paragraph 2. The Council, acting by a qualified majority on a recommendation from the Commission, may, if it considers it appropriate in the light of that examination, make recommendations to Member States.

5. On the basis of the detailed examination of the implementation of the employment policies of the Member States, the Council and the Commission shall make a joint annual report to the European Council on the employment situation in the Community and on the implementation of the guidelines for employment.

Article 5

The Council, acting in accordance with the procedure referred to in Article 189b, and after consulting the Economic and Social Committee and the Committee of the Regions, may, as it considers appropriate, adopt incentive measures in relation to employment to contribute to the achievement of the objectives referred to in Article 2 and the tasks referred to in Article 3(i) of the Treaty establishing the European Community. These measures shall not include any harmonization of the laws and regulations of the Member States.

Article 6

The Council, after consulting the European Parliament, shall establish an Employment Committee with advisory status to promote coordination between Member States on employment and labour market policies. The tasks of the Committee shall be:

- to monitor the employment situation and employment policies in the Member States and the Community;
- without prejudice to Article 151, to formulate opinions at the request of either the Council or the Commission or on its own initiative, and to contribute to the preparation of the Council proceedings referred to in Article 4.

In fulfilling its mandate, the Committee shall consult the social partners.

The Member States and the Commission shall each appoint two members of the Committee.'

According to the comments of the Irish Presidency regarding the stage reached in the negotiations on employment as at 5 December 1996, while there was a broad consensus in favour of provisions along the lines of its draft revision of the Treaties, different approaches were still under consideration. Some delegations favoured a more binding procedure based, for example, on quantified criteria and possible sanctions. It had also been suggested that the objective to be specified in the Treaty should be 'full employment' rather than a 'high level of employment'. Moreover, it had been suggested that the principles which should guide employment policy should be set out in detail in the proposed title. Other delegations were either not convinced that a new title or chapter on employment was justified or favoured the status quo and argued against any new provisions in the Treaty in this area.

Finally, it should be noted that job creation and satisfactory working conditions are regarded as the main internal challenges facing the Union and, according to the statement made to the plenary session of the European Parliament on 15 January 1997 by the Dutch Minister of Foreign Affairs, Mr Hans van Mierlo, are among the priorities of the current Dutch Council Presidency. With a view to furthering socioeconomic integration and giving the social dimension of Europe a solid foundation, the Presidency would oversee the preparation of an annual progress report on employment measures for the Amsterdam European Council in June 1997. The main issues covered would be a stable macroeconomic framework, the pursuit of structural reforms to improve the operation of

the product and labour markets and special attention for specific target groups. During the Dutch Presidency, the various aspects of the policy to promote employment would be on the agendas of the Ecofin and Social Affairs Councils, supported by the Economic Policy Committee and the Employment and Labour Market Committee, respectively, and of the Industry and Internal Market Councils.

5.2. The Commission

Employment was again taken up in a significant way in 1996 when the President of the Commission, Mr Jacques Santer, presented his new action plan on employment at the European Parliament sitting of 31 January, calling on all the Union's political, economic and social forces to unite and conclude a European pact of confidence in employment. Pointing out that the single currency was the end point of an irreversible process, which had largely contributed to the readoption of sound economic and budgetary policies which were not hostile to employment, Mr Santer stressed the need to strengthen this strategy by new Community initiatives such as projects in the fields of trans-European networks, research, SMEs, the relationship between the environment and employment, and Community employment policies. He emphasized the 'added value' that could be contributed by the Union, facilitating cohesion between the initiatives adopted by the various protagonists. As part of this process of mobilization, the Commission organized the first forum on European social policy, which took place in Brussels in March 1996, as well as a round table on employment on 28 and 29 April.

Following up the conclusions of the Madrid European Council, the Commission also adopted, at the end of March 1996, a proposal for a Council Decision establishing an Employment Policy and Labour Market Committee. The committee, which was established by a Council Decision of 29 December 1996, held its inaugural session on 29 January 1997. Taking over all the tasks entrusted to the ad hoc Group of Representatives of Ministers of Employment, it should be in a position to further the development of common indicators which will facilitate the monitoring of employment policy and the implementation of the multiannual programmes.

5.3. The European Parliament

The European Parliament's proposals regarding employment policy were set out in its resolution of 17 May 1995 contained in the Bourlanges/Martin report on the functioning of the Treaty on European Union with a view to the 1996 Intergovernmental Conference - implementation and development of the Union, and were subsequently further developed in the Dury/Maij-Weggen report of 5 March 1996, which constituted Parliament's basic position concerning the IGC. It expressed the view that the development of the social dimension and employment policy in the internal market, and measures to strengthen economic and social cohesion were all priorities which had to be respected by the Conference if the intention was to ensure that it produced a result worthy of ratification. With the aim of making appropriate changes to the Treaty, improving the definition and

coordination of Community policies carried out in these areas and making them more democratic, the instruments proposed by the European Parliament were as follows:

'8. A pro-active policy for employment

8.1 Employment must be the focus of all European policies, particularly those conducted within the framework of economic policy. This is in no way intended to unbalance EMU but to take into account the three imperatives of competitiveness, growth and employment and to facilitate its achievement by paving the way for sustainable development;

8.2 The Treaty shall be supplemented by a new chapter establishing a 'Union for Employment'. This chapter shall specify the common objectives and the procedures followed in this area and shall mark the contracting parties' commitment to certain basic principles relating to employment policy;

8.3 Article 2 of the Treaty should specify the Community's social function of 'promoting a high level of employment and of social protection for women and men';

8.4 The objective of a high level of employment should be set out in Article 3a(3) of the Treaty among the 'guiding principles' of the action of the Member States and the Union with a view to economic and monetary Union.

8.5 A Committee on Employment shall be set up in order to promote the coordination of the Member States' and the Community's employment policies.

8.6 The IGC should incorporate in Article 1 of the Agreement on social policy the principle of 'harmonization while... improvement is being maintained' which is referred to in Article 117(1) of the EU Treaty;

The Dury/Maij-Weggen report also included a proposal for the extension of qualified majority voting and codecision to the fields of employment and social affairs.

The above proposals were reiterated and made more specific in the document of 24 July 1996 entitled 'Employment chapter in the Treaty: some thoughts and a proposal', which was presented by the European Parliament's representatives, Mrs Elisabeth Guigou and Mr Elmar Brok, to the Group of Representatives of the Governments of the Member States. It put the accent on the political visibility and legal necessity of a more active Union policy on employment, and included proposals for amending the Treaty based on a twofold approach:

' - A new title or chapter in the Treaty specifically on employment, thereby making the Union's competence more visible and entrenching procedures that will ensure due consideration of employment policy at Union level, and proper consultation of the social partners in this regard.

- Specific amendments or additions to existing provisions of the treaties to eliminate obstacles to policy formation or to enhance the consideration of employment aspects of specific policies.'

Following the Dublin European Council, in its resolutions thereon and on the general outline for a draft revision of the Treaties adopted on 16 January 1997, the European Parliament welcomed the Dublin Declaration on Employment and invited the Council and the Commission to translate it into action without delay, by reinforcing integration of

employment policies and a growth-oriented macroeconomic policy, by strengthening structural policies backed by a set of common indicators to measure the performances of the Member States in the employment field and, through the implementation of the 'Essen programme', by establishing a framework of transnational cooperation and the spread of best practices between Member States.

The European Parliament also endorsed the Irish Presidency's proposal regarding employment, particularly the implementation of incentive measures. However, it warned the IGC of the danger of confining itself to an agreement on a title or chapter on employment which had no substance, and invited it to examine in more detail the proposal submitted by Parliament's two representatives, in particular as regards the coordination of macroeconomic policies with a view to promoting employment. Parliament considered that the provisions envisaged needed to be strengthened:

- (a) by guaranteeing that the broad lines of employment policy and of economic policy were consistent with each other;
- (b) by making the objective of promoting employment as binding as that covered by the guiding principles laid down in Article 3a of the Treaty, and by making Community action in this sphere a common policy;
- (c) by setting out the principles likely to underpin the formulation of employment policy;
- (d) by specifying that the common economic institutions and the broad lines of economic policy must be conceived so as to give appropriate priority to the achievement or maintenance of a high level of employment;
- (e) by increasing the involvement of the European Parliament and cooperation with the social partners in the drafting of the annual economic report and the report on the employment situation submitted to the European Council;
- (f) by clarifying the proposed procedure;
- (g) by clearly requiring the Council to react and make use of the instruments provided for by the Treaty in the event of rising or persistent unemployment.

It is also appropriate to stress that the European Parliament's most recent views on the amendments to be made to the Treaty provisions on social and employment policy during the Intergovernmental Conference formed the subject of the Pronk working document which was adopted by the Committee on Employment and Social Affairs on 18 March 1997. The working document:

- supports the Irish proposal submitted to the Dublin II European Council to include the promotion of a high level of employment among the objectives of the Community and to insert a new title on employment establishing a procedure for the coordination of employment policy at Community level;
- proposes that the new chapter on employment should make provision for the Member States to coordinate their activities in the field of employment on the basis of common economic indicators (bench marking);
- proposes that the new chapter on employment should uphold the procedures and principles set out in Article 102a and the subsequent articles, taking account of the trends

in the employment situation and measures taken in this area by the European Union and the Member States. This chapter should tie in economic guidelines with employment policy. It should be clearly stated that, where unemployment is too high, the Commission should consider what action should be taken with regard to economic policy (Art. 103 and 103a), with regard to social policy (Art. 118), education and training (Art. 127), the structural funds (Art. 123), the European Investment Bank and the European Investment Fund and the Social Protocol.

Proposed amendments to the Irish Presidency's draft Treaty are currently under consideration and are due to be the subject of a proposal to the IGC by the European Parliament's representatives. The amendments seek, in particular, to include among the Union's objectives that of reducing unemployment as far as possible (Article B of the TEU) and to add supplementary provisions to the new title on employment so that (a) the broad guidelines of the economic policies referred to in Article 103(2) of the TEC take account of the impact of those policies on employment and are devised in such a way as to give due and effective priority to the achievement or preservation of a high level of employment; and (b) the Community ensures that all its policies take due account of their impact on the level of employment and unemployment.

5.4. The Economic and Social Committee

In its opinion on the Commission communication entitled 'Action for employment in Europe - a confidence pact', which it adopted at its plenary session of 30 and 31 October 1996, the Economic and Social Committee underlined the gravity of the crisis caused by chronic unemployment and the decline in employment, and stated that 'the IGC should incorporate the coordination of employment policies in the Treaty on European Union'.

The Committee unreservedly endorsed the objectives of the confidence pact, while putting forward a number of additional suggestions for translating them into action. These included the need to give a fresh impetus to transport infrastructure schemes and to the establishment of the information society, the importance of consolidating the internal market, revamping the Structural Funds and ensuring the timely achievement of monetary union in order to stimulate confidence and employment.

6. The two sides of industry

6.1. The European Trade Union Confederation

Following the Dublin European Council, the ETUC's views and comments on the revisions relating to employment contained in the general outline for a draft revision of the Treaties were set out in two ETUC Secretariat working documents of 4 March 1997 entitled 'Revisions of the Treaty - (a) Employment, (b) Social Protocol'. The ETUC welcomed the Irish Presidency's proposals to include the promotion of a high level of employment among the Community's objectives and to introduce a new title on employment into the Treaty. Taking the Presidency document as a basis, the ETUC formulated proposed additional amendments to the Treaty with the aim of including the reduction of unemployment among

the Union's objectives (Article B of the TEU), stressing the coordination of the Member States' employment policies (Article 3a of the TEC), spelling out the objectives of the common employment strategy (Article 1 of the new title on employment) and applying the procedure defined in Essen so that decisions on the broad lines of employment policy are adopted by the Ecofin and Employment Councils (new Article 4a of the new title on employment).

6.2. The Union of Industrial and Employers' Confederations of Europe (UNICE)

On 27 November 1995, the Secretary-General of the Union of Industrial and Employers' Confederations of Europe, Mr Zygmunt Tyskiewicz, recommended to Mr Westendorp, chairman of the Reflection Group, the inclusion of a chapter on employment during the IGC. Mr Tyskiewicz reminded Mr Westendorp that employment was already mentioned very frequently in the Treaty, and that although employment did help the functioning of EMU in the convergence process it should not be considered as an additional convergence criterion, separately from other Community policies or linked to a single political area such as social policy. He added that the Treaty should therefore highlight competition rather than employment, to provide a balanced reflection of the bulk of opinion.

6.3. The joint contribution of the ETUC, UNICE and the CEEP on the confidence pact for employment

This joint declaration of 29 November 1996 constituted a committed reply by the European social partners to President Santer's proposal on the subjects of the employment of young people, life-long training and improved use of the Structural Funds to promote job creation in a macroeconomic framework conducive to growth and employment, and affirmed their support for the confidence pact for employment as a process capable of mobilizing all the protagonists at every level, in accordance with their responsibilities.

In their joint contribution, the European social partners also confirmed their support for the objective of EMU and for the Essen process concerning employment policies, and called for the latter to be strengthened. Taking the view that the completion of the internal market could also contribute to employment, they expressed their regret at the delay in getting the major trans-European networks under way. Finally, they called on the Dublin European Council to take the requisite decisions so that all the public-sector protagonists at both national and European level, including the political and monetary authorities, would play their part in complementing the action for employment set out in the confidence pact.

7. Views in the Member States

The contributions from five Member States who have submitted the most highly developed specific proposals to the Conference, in the form of amendments to the Treaty, are set out below. Following the initial proposal from the Swedish Government, which had the merit

of putting the issue of employment on the agenda of the negotiations, the proposals were tabled, in chronological order, by the Danish, Belgian, Swedish, Spanish and Austrian Governments. Given that the issue of employment is connected with social policy matters, and particularly the inclusion of the Social Protocol in the Treaty, and with fundamental social rights and social exclusion, it would be worthwhile for readers to refer to the positions of the Member States set out in the briefings on those topics.

7.1. Austria

The proposed amendments to the Treaty relating to employment, which were set out by the Austrian Government in a document dated 8 November 1996, are based on a twofold approach:

1. enhancing employment as an objective in the Treaty:

Article B of the TEU (first indent)

'The Union shall set itself the following objectives:

- to promote economic and social progress which is balanced and sustainable and the achievement of full employment, in particular through the creation of an areas without internal frontiers ... of this Treaty; ...'

Article 2 of the TEC

'The Community shall have as its task, ... a high degree of convergence of economic performance, the achievement of full employment, a high level of social protection, ...'

Article 3

Addition of a new indent before letter (i): 'the strengthening of the coordination between national employment policies with a view to developing a common strategy for employment.'

2. introducing a title on employment into the Treaty (Title VIa (new)), incorporating the following provisions:

Objectives:

Article A, introductory words and first indent:

'In coordinating their employment policies as provided for in this Title Member States and the Community shall pursue the following objectives:

- the achievement of full employment, which should enable all men and women to enjoy a secure and durable standard of living on the basis of freely chosen and productive work.'

Principles:

Article A, second and subsequent indents:

- the promotion of productivity and competitiveness as preconditions for economic growth and increase in income,
- the promotion of flexibility in labour markets in a way that does not endanger the necessary balance between adjustment to the requirements of structural change and the maintenance of a high level of social protection,
- the promotion of a balanced distribution of work, in particular by developing new forms of its redistribution,
- prevention of as well as effective measures against unemployment, in particular that of the young, the old, the disabled, and long-term unemployed persons, as well as against social exclusion,
- the promotion of the equal treatment of women and men in the labour market in accordance with the principles laid down in Article 119.'

Procedures:

'Article B

1. Member States shall conduct their national employment policies with a view to contributing to the achievement of the objectives referred to in Article A.
2. Member States shall regard promoting employment as a matter of common interest and shall coordinate their action in this respect within the Council, in accordance with the provisions of Article D

Article C

1. The Community shall contribute to the achievement of full employment by encouraging cooperation between Member States and by supporting and, as necessary, complementing their action, while fully respecting the competence of the Member States in this field.
2. The achievement of full employment shall be taken into consideration when defining and implementing Community policies. The Commission shall complement each of its proposals as provided in this Treaty with an assessment of its expected effects on employment.

Article D

1. The European Council shall each year consider the employment situation in the Community and adopt conclusions thereon, on the basis of a joint annual report by the Council and the Commission.
2. On the basis of the conclusions of the European Council, the Council, acting by a qualified majority on a proposal from the Commission after consulting the European Parliament, the Economic and Social Committee, the Committee of the Regions and the Employment Committee referred to in Article F, shall each year draw up guidelines for

employment, which the Member States shall take into account in their national employment strategies. These guidelines and the broad guidelines adopted pursuant to Article 103 paragraph 2 shall be coordinated.

3. Each Member State shall inform the Commission about the principal measures taken to implement its employment strategy in the light of the guidelines referred to in paragraph 2.

4. In addition, each Member State shall establish a multiannual programme laying down the national strategies concerning the labour market and employment policies and shall submit it to the Council and the Commission. These multiannual programmes may be updated, as necessary.

5. The Council, having received the views of the Employment Committee referred to in Article F, shall each year carry out a detailed examination of the implementation of national employment policies in the light of the guidelines for employment referred to in paragraph 2. The Council, acting by a qualified majority on a recommendation from the Commission, may make recommendations to the Member States, in particular if deviations from the guidelines referred to in paragraph 2 are established. In these recommendations the Council may set time limits for the implementation of certain measures. The Council may, as necessary, make these recommendations public.

6. If a Member State has received a recommendation according to paragraph 5, this Member State shall communicate to the Commission all measures taken in accordance with the recommendation. These measures shall be examined within the framework of the surveillance procedure referred to in paragraph 5 in the light of the recommendation of the Council.

7. The Council, acting by a qualified majority, shall lay down detailed rules for the surveillance procedure referred to in paragraphs 5 and 6.

Article E

The Council, acting in accordance with the procedure referred to in Article 189b, and after consulting the Economic and Social Committee and the Committee of the Regions, may, to the extent necessary with regard to Article 3b and "Article C paragraph 1", adopt incentive measures to contribute, in relation to employment, to the achievement of the objectives referred to in Article 2 and to the completion of the tasks in Article 3(-), excluding any harmonization of Member States' laws or regulations.'

Employment Committee:

'Article F

The Council, after consulting the European Parliament, shall establish an Employment Committee with advisory status to promote the coordination of Member States' employment and labour market policies. The tasks of the Committee shall be:

- to monitor the employment situation and employment policies in the Member States and the Community;
- without prejudice to Article 151, to formulate opinions for the institutions, at the request of either the Council or the Commission or on its own initiative, and to contribute to the preparation of the Council proceedings referred to in Article D.

In fulfilling its mandate, the Committee shall consult the social partners.
The Member States and the Commission shall each appoint two members of the Committee.'

7.2. Belgium

The Belgian Government submitted its proposals concerning Community action on employment to the IGC on 15 July 1996. The amendments to the Treaty proposed by Belgium with the aim of enhancing employment as an objective in the Treaty are as follows:

Article 2 of the TEC

'The Community shall have as its task, ... full employment and the highest possible level of social protection, ...'

Article 3

'... the activities of the Community shall include, ...
(b) the convergence of employment policies; ...'

Belgium has also proposed the introduction into the Treaty of a new chapter on employment, which includes the following provisions:

Objectives:

'Article 1

1. The Community and the Member States shall regard the promotion of employment as a matter of common concern. The Member States shall conduct their employment policies with a view to contributing to the achievement of the objectives of the Community, as defined in Article 2, in a manner consistent with the broad guidelines of economic policy provided for in Article 103(2). They shall draw up multi-annual employment programmes; the Community shall ensure the convergence of these programmes.'

Principles:

'2. These programmes shall be designed to achieve, inter alia, the following objectives:

- to increase the employment-intensiveness of growth, in particular through work redistribution, reductions in working hours and more flexible working arrangements;
- to promote investment in training;
- to reduce non-wage labour costs;
- to improve the effectiveness of labour-market policy;
- to step up measures to assist those particularly hard hit by unemployment, in particular the long-term unemployed;
- to integrate young people into the world of work very quickly;

- to make full use of the experience of older workers;
- to develop local employment initiatives;
- to promote "social economy" undertakings;
- to secure equality between men and women. ...'

Procedures:

'3. On the basis of reports submitted by the Commission, the Council shall each year conduct an overall evaluation of the effectiveness of Member States' employment policies, and lay down broad guidelines for those policies. The Council shall monitor the development of employment in the Member States and in the Community, and see whether national employment policies are in keeping with the objectives set by the Community.

For the purpose of this multilateral monitoring, Member States shall forward to the Commission information about important measures taken by them in the field of their employment policy and such other information as they deem necessary.

4. Where it is established, under the procedure referred to in paragraph 3, that the employment policy of a Member States is not consistent with the objectives listed in paragraph 2, the Council may, acting by a qualified majority on a recommendation from the Commission, make the necessary recommendations to the Member State concerned. The Council may, acting by a qualified majority on a proposal from the Commission, decide to make its recommendations public.

The Council and the Commission shall report to the European Parliament on the results of this monitoring.

5. The Council may, acting in accordance with the procedure laid down in Article 189b, adopt detailed rules for the multilateral monitoring procedure referred to in paragraphs 3 and 4.

6. The Council and the Commission shall take impact on employment into consideration in all Community policies. The Commission shall evaluate that impact in its proposals.

Article 2

1. Member States which implement multi-annual programmes meeting the objectives set in Article 1 shall be eligible for Community financial assistance in order, in particular, to conduct experiments in labour market reform.

The conditions and procedures for allocating this support shall be laid down by the Council, acting in accordance with Article 189b.

2. Experiments in labour market reform which Member States may submit with a view to obtaining Community financial assistance must issue from the dialogue between management and labour in the Member States.'

Employment Committee:

'Article 3

1. In monitoring the convergence of employment policies, the Council shall be assisted by an Employment and Labour Market Committee.

2. The terms of reference of that Committee shall be to:

- formulate opinions, either at the request of the Council or of the Commission, or on its own initiative, for submission to those institutions;
- monitor the convergence of Member States' multi-annual employment programmes and report regularly thereon to the Council and the Commission, and on experiments in labour market reform;
- ensure that the convergence of employment policies is consistent with the broad guidelines of economic policy;
- examine, at least once a year, the situation regarding employment and structural reform of the labour markets, as it results from application of the Treaty and measures taken by the Council.

The Member States and the Commission shall each appoint two members of the Committee.'

7.3. Denmark

The Danish Government's contribution to the IGC on the issue of employment comprises the following proposed amendments to the Treaties, which were tabled on 8 July 1996:

With the aim of enhancing employment as an objective in the Treaty, it is proposed to include the following in the preamble of the TEU:

'Desiring to promote employment, improved living and working conditions, proper social protection, dialogue between management and labour, the development of human resources with a view to lasting high employment and the combating of exclusion,'

Article B (first indent)

'The Union shall set itself the following objectives:

- to promote economic and social progress which is balanced and sustainable, and a high level of employment and a sound and non-inflationary growth which respects the environment, in particular through the creation of an area without internal frontiers, through the strengthening of economic and social cohesion, coordination of economic and structural policies, ...'

Article 3 of the TEC - New letter (ha): 'the coordination of economic and structural policies;'

A new chapter on employment, within Title VII, is proposed, to include the following provisions:

Objectives:

'Article W (Conduct of employment policies)

1. Member States and the Community shall conduct their policy for promoting employment with a view to contributing to the achievement of the objectives of the Community, as defined in Article 2 and in accordance with Articles 3 and 3a.
2. In order to exploit the mutual benefits of coordination of employment policies Member States shall conduct their employment policies in consistency with the principles in Article X and the broad guidelines referred to in Article 103(2).
3. In accordance with the conclusions of the European Council on the employment policies of the Member States and of the Community, as mentioned in Article X(2), the promotion of employment is part of the activities mentioned in Article 3.'

The new chapter on employment sets out the following procedures:

'Article X (Coordination of employment policies, surveillance, guidelines)

1. Member States shall regard their employment policies as a matter of common concern and shall coordinate them within the Council, in accordance with the provisions of Article W and taking the situation in each Member State into account.
2. In order to ensure closer coordination of the Member States' employment policies, the Council shall, on the basis of reports submitted by the Commission, monitor developments in the field of employment in each of the Member States and in the Community as well as the consistency of employment policies with the guidelines mentioned in this paragraph and the broad guidelines mentioned in Article 103(2), and regularly carry out an overall assessment.

The European Council shall once a year discuss a report submitted by the Council and the Commission and on this basis reach a conclusion on the guidelines of the employment policies of the Member States and of the Community.

For the purpose of this multilateral surveillance, Member States shall once a year forward a report on their multi-annual employment programmes to the Commission containing information about important measures taken by them in the field of their employment policy and such other information as they deem necessary.

3. Where it is established, under the procedure referred to in paragraph 3, that the employment policy of a Member States is not consistent with the guidelines mentioned in that paragraph, the Council may, acting by a qualified majority on a recommendation from the Commission, make the necessary recommendations to the Member State concerned. The Council may, acting by a qualified majority on a proposal from the Commission, decide to make its recommendations public.

The President of the Council and the Commission shall report to the European Parliament, the Economic and Social Committee, as well as management and labour at Community level on the results of the multilateral surveillance concerning employment.

4. The Council, acting in accordance with the procedure referred to in [Article ...] and after consulting the Economic and Social Committee and management and labour at Community level, may adopt detailed rules for the multilateral surveillance procedure concerning employment referred to in paragraph 2 of this Article.

Article Y (Incentive measures)

1. The Community shall contribute towards ensuring a high level of employment by encouraging cooperation between the Member States and, if necessary, lending support to their action.
2. In order to contribute to the achievement of the objectives referred to in Articles W and X, the Council:
 - acting by a qualified majority on a proposal from the Commission and after consulting the European Parliament, the Economic and Social Committee and the Committee of the Regions, shall adopt incentive measures, excluding any harmonization of the laws and regulations of the Member States;
 - acting by a qualified majority on a proposal from the Commission, shall adopt recommendations.'

The provisions concerning the advisory Committee on Employment are as follows:

'Article Z ...

In order to promote coordination of employment policies of the Member States, the Council shall establish an advisory Committee on Employment.

The Committee on Employment shall have as its main tasks:

- to keep under review the employment situation of the Member States and of the Community and to report regularly thereon to the Council and to the Commission;
- to deliver opinions at the request of the Council or of the Commission, or on its own initiative for submission to those institutions;
- without prejudice to Article 151, to contribute to the preparation of the work of the Council referred to in Articles W, X and Y.

The Member States and the Commission shall each appoint two members of the Employment Committee.'

7.4. Spain

The Spanish Government's proposals concerning employment, which were submitted to the Conference on 25 September 1996, can be summed up in the following changes to the text of the Treaty:

Preamble to the TEC

Insertion of a new paragraph: 'Determined to promote the creation of employment, while respecting freedom of trade union and collective bargaining, protection of the health and safety of workers in the working environment and equality of treatment and non-discrimination,'

Article 3(ja) (new)

'(ja) promoting the creation of employment;'

It is also proposed to introduce a new Title VIIa on employment, preceding Title VIII on social policy and separate from Title VI on economic and monetary policy.

With regard to objectives, the proposed Article A is as follows:

'The European Council may set general guidelines for furthering employment and hence facilitate the coordination at Union level of the various Community policies and actions, without prejudice to the competence of the Member States in employment matters.'

The procedures envisaged are as follows:

'Article B

The Member States shall draw up multiannual reports on the general employment situation, including approaches to combating unemployment. These reports shall be forwarded to the Council.

The Council and the Commission shall draw up a joint annual report on the general employment situation in the Union and in each Member States, which shall be submitted for consideration by the European Council.

The report shall also be sent, for information, to the European Parliament, the Economic and Social Committee and the Committee of the Regions.'

Article C of the proposed new title concerns the Employment Committee:

'For the purposes of the previous Article an Employment Policy Committee, of an advisory nature, shall be set up comprising, as representatives of the Member States, officials of the Ministries responsible for employment matters as well as officials of the Commission, with the following tasks:

- monitoring developments in the employment situation in the Union and in the various Member States;
- keeping the Council and the Commission regularly informed;
- exchanging information and experience amongst the Member States and with the Commission in the field of employment;
- preparing such opinions as may be requested by the Council or which it considers useful on its own initiative;
- helping to prepare the Council's work without prejudice to the responsibilities conferred on Coreper by Article 151.'

7.5. Sweden

The most recent proposals from the Swedish Government for Treaty amendments on employment were tabled on 23 September 1996, and are as follows:

Article B of the TEU (first indent)

'The Union shall set itself the following objectives:

- to promote economic and social progress which is balanced and sustainable, including a high level of employment and low unemployment, and sustainable and non-inflationary growth, in particular through the creation of an area without internal frontiers, ... of this Treaty;

Article 2 of the TEC

'The Community shall have as its task, ... to promote ... a high degree of convergence of economic performance, a high and sustainable level of employment, low unemployment, ...'

Article 3

'For the purposes set out in Article 2, the activities of the Community shall include, as provided in this Treaty and in accordance with the timetable set out therein: ...

(i) coordination of the Member States' policies concerning employment;

The insertion of a new Title VII (Articles 109n to 109q) forms the second element of the Swedish proposals; it includes the following provisions:

Objectives:

'Article 109n

1. The Community shall promote a high and sustainable level of employment and low unemployment.
2. The Member States and the Community shall conduct their policies concerning employment with a view to contributing to the achievement of the objectives of the Community as defined in Article 2, and in the context of the broad guidelines referred to in Article 103(2) and in compliance with the principles set out in Article 3a.'

Principles:

'3. The following principles shall serve as guidelines for the formulation of Member States' and the Community's policies concerning employment. The policies shall be formulated in such a way that

- individuals and undertakings are supported in their efforts to adapt to changes in working life,
- flexibility in the economy and the labour market are promoted,
- long-term unemployment and social exclusion are counteracted through active and early preventive measures,
- equality between women and men in the labour market is promoted in accordance with the principles set out in Article 119,
- high productivity growth, a high degree of competitiveness, and sustainable non-inflationary growth are promoted.'

The procedures laid down in Article 109o are as follows:

- '1. Member States shall regard their policies concerning employment as a matter of common concern and shall coordinate them within the Council.
2. When defining and implementing all Community policies, consideration must be given to their effect on employment and unemployment.'

Article 109p

- '1. Each Member State shall adopt multiannual employment programmes.
In order to coordinate policies concerning employment the Council shall, on the basis of reports submitted by the Commission, monitor developments in the field of employment in each of the Member States and in the Community as well as their consistency with the broad guidelines referred to in Article 103(2), and regularly carry out an overall assessment of how the Member States and the Community as a whole are contributing to the objectives and principles set out in Article 109n.
For the purpose of this multilateral surveillance, Member States shall forward information to the Commission and the Committee referred to in Article 109q about important measures taken by them within the framework of their employment programmes and such other information as they deem necessary.
2. Where it is established that a Member State's policies concerning employment are inconsistent with the broad guidelines referred to in Article 103(2) and the objectives and principles set out in Article 109n, the Council may, acting by a qualified majority on a recommendation from the Commission, make the necessary recommendations to the Member State concerned.
The Council shall report each year to the European Parliament and the European Council on developments in the field of employment.
3. The Council, acting in accordance with the procedure referred to in Article 189c, may adopt detailed rules for the multilateral surveillance procedure referred to in this Article.'

Article 109q proposes the establishment of an Employment Committee, and is worded as follows:

- '1. In order to promote coordination of the policies of Member States to the full extent needed to achieve the objectives concerning employment set out in Article 109n, an Employment Committee with advisory status is hereby set up.
2. It shall have the following tasks:
 - to keep under review developments in the field of employment and to report regularly thereon to the Council and the Commission;
 - to deliver opinions at the request of the Council or of the Commission, or on its own initiative for submission to those institutions;
 - without prejudice to either Article 151 or Article 109c, to contribute to the preparation of the work of the Council referred to in Articles 109p and 103(2);
 - to regularly consult management and labour at Community level;
 - to promote cooperation between management and labour at national level.
3. The Member States and the Commission shall each appoint two members of the Employment Committee.'

8. Conclusions

At the present juncture in the IGC negotiations, following the Dublin European Council, there is a widespread feeling that there is a need to encourage coordination between the Member States' employment policies with a view to a common strategy on employment, and a convergence of views can be observed between the Commission, Parliament and a majority of the Member States on the inclusion of employment among the general objectives of the Treaties and on the insertion of a new title on employment after Title VI of the EC Treaty.

However, the draft revision of the Treaties presented by the Irish Presidency, while explicitly providing a Treaty basis for action on employment at Union level, reflects the majority approach in the context of the IGC, namely that such a new title should not have any budgetary impact and should not give the Union binding powers either.

The European Parliament considers that the institutional framework proposed and the instruments envisaged are therefore unsatisfactory at present; it wants to see the widespread use of qualified majority voting and codecision, and not just possible incentive measures for employment approved by codecision.

Similarly, the European Parliament's call for a high level of employment to be included among the Union's 'guiding principles', with a view to EMU, has not been taken on board, and its desire for employment and economic policy to be tackled in parallel, so that employment is 'at the heart' of all economic policies, including EMU, has generally not been taken into account.

So, while considerable progress has been achieved in the negotiations with regard to employment, it is still insufficient in relation to the expectations of the European Parliament and European public opinion in general, bearing in mind that what is at stake is the fight against unemployment and the preservation of the European social model.

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For further information on this briefing, please contact Mr Alain BARRAU, DG 4, Brussels; tel. 2843616, or Ms Sophie DIMITROULIAS, DG 4, Brussels, tel. 284 25 66.

