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**EUROPEAN SOCIAL POLICY -
A WAY FORWARD FOR THE UNION**

A WHITE PAPER

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1

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GREEN PAPER ON EUROPEAN SOCIAL POLICY
OPTIONS FOR THE UNION

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SUMMARY OF RESPONSES

CONTENTS

	Paragraphs
INTRODUCTION 1 - 3	
CHAPTER 1: The Responses	4 - 10
CHAPTER 2: The Political Scene: Defining a European Social Policy	11 - 25
CHAPTER 3: Employment, Job Creation and Competitiveness	26 - 40
CHAPTER 4: The Role of the Welfare State	41 - 55
CHAPTER 5: Free Movement of Workers and Migrating Workers	56 - 65
CHAPTER 6: Equal Treatment for Men and Women	66 - 77
CHAPTER 7: Social Dialogue and Labour Law	78 - 85
CHAPTER 8: Health and Safety	86 - 89
CHAPTER 9: The Construction of a Democratic Europe	90 - 95
CONCLUDING COMMENT	96

INTRODUCTION

1. This paper summarises all written communications received by the European Commission, following the call for contributions contained in the *Green Paper on European Social Policy: Options for the Union*. In addition, the discussions at the European Conference on the Future of European Social Policy of 26-28 May, 1994, held in Brussels, are taken into account. This summary was prepared between 31 March 1994 (official deadline for submitting contributions) and 15 June 1994.
2. As more than seven thousand pages of written material, plus the rich discussions of the two days of conference, had to be taken into account, it is inevitable that not all nuances can be reflected in detail. However, the authors have aimed to capture the main lines of thought and argumentation. Any shortcomings are the responsibility of the authors.
3. The paper is set out under nine chapters headings. Chapters 1 and 2 give a general overview of the responses and the issues they raise while Chapters 3-9 provide greater detail on specific areas.

CHAPTER 1: The Responses

4. In general contributors have welcomed the opportunity to contribute to the debate and thinking on European social policy and have stressed the interdependence of the Green Paper on Social Policy and the White Paper on Employment, Growth and Competitiveness. In addition there is agreement that unemployment is the greatest single problem facing the Union, bringing challenges on the economic and social front.
5. More than 530 written contributions, were received. The Institutions, organisations and associations at European Union level provided nearly 100 responses, while 378 originated from European Union (EU) Member States. The United Kingdom provided by far the largest number of these. Contributions from Member States of EFTA amounted to 46 submissions and the remainder came from international organisations and countries not members of the EU or EFTA.
6. Social partners' organisations, representing employers and employees were important contributors; European, cross-industry and sectoral organisations submitted responses, representing nearly 30% of the total. At national level, German, Greek, French, Italian and Portuguese organisations were the most active contributors.
7. Non-governmental organisations (NGOs) were very active, contributing more than 40% of all responses. They represented the unemployed, disabled persons, the elderly, the

family, women and migrants as well as issues like housing, poverty and social exclusion. Contributions were received from EU level associations and from many similar organisations at national level.

8. At government level, contributions were received from all EU Member States and from EFTA members. In addition, local and regional authorities sent contributions, especially from Denmark and the United Kingdom. These were supplemented by submissions from their respective associations at European level.
9. The remainder of the contributions came from international organisations, religious bodies, universities and research institutes as well as individual citizens.
10. This summary of responses covers only the written contributions received by the Commission, together with the information submitted to the conference dedicated to the theme at the end of May 1994. It captures in summarised form the major lines of thought and argumentation. Additional, more focused analyses of the submissions will be undertaken as the debate on the direction of the European Union's social policy is taken forward. Where sources are quoted, the aim is to provide illustrative examples, not an exhaustive list.

CHAPTER 2: The Political Scene: Defining a European Social Policy

11. A number of contributions, mainly from governments, unions and employers' organisations, go beyond the specific themes and issues addressed by the Green Paper. They deal with general principles and concepts governing the definition of European social policy.
12. Contributions from all sides stress that there is a *European social model*. It is a cornerstone of our society, even if the levels of social protection differ from country to country. This model is based on negotiation, solidarity and a high level of social protection. The quality of it should be protected and improved. Some suggest the inclusion of this model, without saying how, in the European legal system.
13. There should be *no lowering in the quality of social protection*; while there seems to be consensus on this, employers' organisations stress the need to reflect economic and demographic realities and to ensure that such protection can be afforded. The unions agree on the need for cost adjustments but insist that the model and all the benefits it has brought to European citizens should not be jeopardized. While all parties agree on the need for *converging social policies*, the unions insist on an "upward" convergence.
14. To secure what has been said above, most union and many NGO contributions argue the need for *ensuring such social rights for all citizens in the Treaty*. The rights of

employees, as defined by the Community Social Charter, should also be included in the Treaty, when it is revised in 1996 European Trade Union Confederation (ETUC), or at least guaranteed by the Treaty (German Government).

15. The issue of *subsidiarity* is addressed by all parties. Two kinds are referred to: legislation versus collective bargaining and the EU versus the national level.
16. Most contributors agree on the need for *legislative* action at EU level in order to establish *minimum binding standards*. Such legislation should, however, be of a framework type, broader, less detailed and more flexible than to date. Details and implementation should be left to national policymakers so as to take account of the diversity of national social systems. Framework legislation should define the aims and leave open the means of implementation. It should be defined in close relationship with the social partners and NGOs.
17. Such framework legislation could *reinforce collective bargaining and contractual agreements*, discussion on which could involve, according to the issues, the relevant NGOs. Such collective bargaining could take place, both at European and national levels.
18. The *balance proposed between legislation and collective bargaining* differs greatly, according to the contributions. Unions and NGOs are inclined towards the use of legislation on a wide range of issues. ETUC suggests, for example, the following issues for EU action: a European scale of minimum social standards; social infrastructures for childcare, equal treatment code of good conduct in companies and a directive on training, employment and mobility of disabled workers. While some governments (e.g. Germany) also express the wish to extend the basic set of binding minimum standards, others (the Netherlands, United Kingdom) as well as most employer organisations would not support further legislative action or would leave as much as possible to collective bargaining (Danish government and local authorities).
19. UNICE, (Union des Confédérations de l'Industrie et des Employeurs d'Europe), while not excluding further legislation, indicates a number of issues, which should be explicitly excluded from EU legislative action, for example, directives on the protection of workers which would inhibit flexibility; minimum income legislation. In addition, it sees the need to tie social progress to economic growth, with new legislation being introduced at a "natural rhythm". It also calls for legislative stability and the implementation and evaluation of existing legislation, before any extension or revision.
20. Whilst wide consensus can be found on the need for minimum standards to be established by framework-type legislation and supported by a strong collective bargaining process, three areas of dissent can be seen:
 - the *levels* at which minimum standards should be set. While unions and governments call for a high or reasonably high level, echoed by NGOs (e.g. Confédération des organisations familiales de la Communauté Européenne),

employers' organisations request that the levels not be set so high as to be unrealistic;

- the *range* of issues to be dealt with by EU legislative action. On the one hand, unions, local authorities (United Kingdom) and NGOs indicate a broad agenda for legislation e.g. in employment, health and social protection, vocational training, and equal treatment. On the other hand, employers and some governments (e.g. the Netherlands, United Kingdom) would not support further legislation or indicate that it should be kept to a minimum. UNICE points clearly to some areas which should be excluded from the legislative field e.g. wages, workers' protection;
- the *pace* of legislative action. Again while the union side calls for prompt action, employers tend to express a desire for a "natural rhythm" of change, where social progress would be consequent on and in line with economic progress.

21. *Where legislation has been adopted, it should be enforced.* There is a wide ranging consensus on this. The "*acquis communautaire*" should be rigorously implemented (UNICE). The Council is called upon to break the deadlock on a number of draft directives such as those on atypical work, works councils, cross-border subcontracting, protection of young workers, and the reversal of the burden of proof. Most governments, unions and NGOs call for adoption of these texts.

22. In looking at *procedures*, a general consensus emerges on the need:

- to establish quickly a new set of rules and procedures following the Treaty on European Union and in particular in relation to the Protocol on social policy. UNICE requests the Commission to set out its policies on how and when it will base legislative proposals on the Social Protocol (signed by 11 Member States) and ETUC wants priorities to be quickly established and a timetable provided on implementation;
- to seek, whenever possible, an agreement between the 12 Member States before considering agreements on an 11 State basis.

23. Several governments (e.g. Denmark, the Netherlands) indicate their opposition to *quantified objectives* and monitoring devices similar to those established for the achievement of the European Monetary Union (EMU), on the basis that this was not in the Treaty. A number of NGOs (e.g. organisations of the unemployed and the poor) have on the contrary indicated that quantified social objectives, e.g. setting targets for reducing unemployment rates, are necessary. Otherwise economic objectives may be met to the detriment of social protection.

24. Many contributors stress the need for a *coherent integrated approach*, taking into account social and economic policies, and providing a clear definition of roles and various levels of competence. The Commission is expected to deliver on this issue.
25. In *conclusion*, there is a core of opinion across a range of organisations (government, union, employer, voluntary sector), which agrees on the need for:
- the recognition of the "European Social Model";
 - legislative action at EU level, in close consultation with all parties, to set minimum standards for social protection and avoid social dumping;
 - such legislation to be flexible and of a framework type so as to take account of the diversity of national systems, leaving initiative to the national level and giving more weight to collective bargaining.
 - a coherent and integrated social policy programme, defining roles and levels of competence;
 - the enforcement of existing legislation and the breaking of the deadlock on draft directives currently under discussion.

CHAPTER 3: Employment, Job Creation and Competitiveness

26. A very large number of responses addressed this complex set of questions. There was practically unanimity on *unemployment* as the greatest single social and economic problem facing the European Union. While all agreed on the need to create more jobs, there were significant differences on the means and conditions to achieve this.
27. Many contributions stressed that any developments from the Green Paper, with its emphasis on social standards, should be reconciled with the approach of the White Paper on Growth, Competitiveness and Employment. Many argued that the *two policy initiatives must go hand in hand*.
28. Most trade unions, many governments and employers' organisations believe that competitiveness and growth can be achieved without lowering social standards. However, the full range of *social benefits and non-wage costs* should be examined to determine which are essential. The aim would be to bring the cost of social security systems into line with the financial realities of public budgets, though there are differing views on how this might be achieved.

29. With regard to *job creation*, the important role of small and medium-sized enterprises (SMEs) is frequently stressed. SMEs should therefore be supported through tax measures, EU-sponsored advice programmes, the sharing of "good practice" across Member States and through other EU services and networks.
30. *Local job creation* through methods appropriate to local needs and to special target groups is seen as an important and developing field of activity which should receive political and financial support through EU social funding, especially from the European Social Fund (ESF). Partnerships of local businesses, local authorities and local community groups, who can understand local needs are seen as initiatives worthy of wider recognition and support.
31. The need to match jobs to appropriate job seekers is raised, including facilitating cross national mobility of workers. The EU is seen as having an important role in an EU-wide system of *guidance and placement* (as exists in a developing form already in the European Commission EURES programme). This should be strengthened and cross-Union interchange could be further supported by EU programmes. As long as the principle of a free guidance and placement service accessible to all is upheld, it is thought that private and voluntary sector agencies could play a useful complementary role to the public services in matching job opportunities and people.
32. On the question of *education and training*, there is overwhelming agreement that Europe needs a highly skilled, life-long learning population in order to restore competitiveness and aid job growth. There is, however, no clear agreement on how this could be achieved. The tripartite apprenticeship model finds favour with those governments and social partners familiar with it, but some fear it is a model more appropriate to the industrial context whereas future job growth is more likely in fast-changing service sectors and in new sectors such as alternative energy.
33. There is unanimity on the need for more "*training for change*" ie. the ability to recognize and adapt to change in a positive and creative way. General education, vocational training and on-the-job learning should, it is stressed, be more interdependent and integrated into each other (governments and NGOs e.g. European Youth Forum). Employers would need to be encouraged in some countries to recognise the importance of them playing a more active part in training, assisted by the appropriate EU programmes. Trade unions argue for a social right to life-long learning.
34. There is a general consensus that it should become financially more attractive to work than remain unemployed. Many stress the usefulness of *social employment schemes* but others point to the dangers of job substitution and distortion of competition especially for small companies operating in the same market e.g. maintenance and landscaping of public parks and open spaces.
35. Although a few submissions point out that low paid work is not in itself degrading, the majority opinion, expressed by a good number of governments, employers and trade unions, clearly points towards the desirability of a *high skill, high income workforce*,

producing high quality goods and services. In other words, the United States' example of job growth in low skill, low paid work is not seen as a desirable option for the EU.

36. It is generally felt that *young people* should receive more assistance in the transition from education to working life. That there should be a right to training and a subsequent right to a first job for young people drew support from unions. Some employers' organisations support this as a social goal but do not feel it should be enshrined in legislation. The approach adopted by the Commission to-date ("Youth Start") is quoted as a good example. There is practically no support for the idea of lower entry level wages for young people though there is a minority view, mostly from the United Kingdom, that wages should be subject to market regulation.
37. In relation to *older people* in the labour market, a broad based consensus exists for flexible retirement schemes to become the norm, allowing a combination of pension income and income from (part-time) work, for example the Greek Government and some NGOs (e.g. European Platform for Seniors' Organisations) press for this. This is seen as important both psychologically, giving time to gradually adjust to retirement, and in terms of the future viability of social security schemes. Regarding the employment and training of older persons, there should be no age discrimination (e.g. Eurolinkage).
38. Some suggest social security might be financed by a combination of the shared cost system with additional income coming from general tax revenue. This is seen as necessary for employees in part-time or low income work and those not in the official labour market. The idea of a "citizens wage" is mentioned in this connection, particularly in contributions from NGOs and individuals.
39. An important area of agreement between the different social actors may be in the field of working time and more diversified forms of non-standard work. Unions and employers at EU level, and most governments agree that *a diversification of work forms* in terms of working time or of a contractual nature could contribute a degree of flexibility and adaptability of enterprises, which is postulated as a major precondition in achieving competitiveness. The ideal situation is seen as achieved when the needs of the employers and the wishes of the employee are mutually met (win-win situation). Examples are given of how this can be achieved particularly for part-time work. It is thought that a legal framework to regulate temporary staff agencies is worthy of consideration across all Member States.
40. In summary, there is a fairly substantial *core of agreement* between the major actors in the field of employment, job maintenance and pay: good jobs with good pay require a strong and competitive economy and a well-skilled and motivated work force. This is compatible with and dependent on a good level of social security. Opinions differ on how to achieve this: trade unions want to see the two aims achieved simultaneously, most employers' organisations would make the further development of social security systems dependent on a return to growth and greater competitiveness.

CHAPTER 4: The Role of the Welfare State

41. All Member States face the same challenges in this area. With the increase in unemployment, they face severe pressures in financing their welfare systems as the numbers relying on them rise. At the Brussels conference there was general agreement on the need to ensure growth in jobs and economic security and to deal with budgetary problems in a way which would not reduce efficiency and solidarity. A balance needs to be achieved between collective and individual social security systems, with policies oriented towards positive use of human resources and a decent level of income. At the same time the ageing of the European population will have a significant financial impact on social security systems. New approaches to promoting integration, and not only labour market integration, need to be identified to tackle the major increase in social exclusion.
42. This chapter examines responses in relation to the above issues as well as proposals related to social protection measures in a broad sense ie. including policies to tackle poverty and social exclusion and policies targeted at the needs of particular groups (e.g. elderly, disabled, youth, family). Contributions regarding the free movement of workers and migrating workers are dealt with in Chapter 5 and those on the equal treatment of men and women in Chapter 6.
43. The great majority of respondents urge that the traditional social protection systems of Europe, based on solidarity, should be maintained. Trade unions as well as NGOs stress that European policies should aim at upwards *convergence of social protection* objectives. There is a broad consensus among governments, social partners and NGOs that economic and monetary policies need not lead to a lowering of social standards. The maintenance of European welfare levels must, according to the trade unions and NGOs, be assured through the adoption of *minimum standards* and the insertion of binding non-regression clauses in legal social instruments. There was a suggestion at the Brussels conference that the financial problems could be in part solved by shifting the burden from income related taxation (employers' and employees contributions) to VAT and eco-taxes.
44. There is a consensus among NGOs (e.g. European Anti Poverty Network) and some other respondents that European social policies should go beyond employment-related issues and be directed towards *economic and social integration* of all citizens, including those not economically active. It is thought this should be explicitly mentioned in the Treaty. The fight against social exclusion and poverty must also be pursued through a range of policies in a coordinated way, including employment, education, training, health, housing, urban and rural development and through improving access to social services.

45. The NGOs also propose that social protection rights should be individualised and that secondary rights, those based on the concept of dependency, should be eliminated progressively.
46. Most respondents from all sides support the combination of *income maintenance policies* with "*active*" *labour market measures*. Both trade unions and NGOs point expressly to the need for a guarantee of fundamental social rights and notably minimum income provision. The important role of the social partners in these questions was stressed by the conference participants, as being indispensable in the creation of solidarity and cohesion in Europe and the better integration of the economic and social elements of policy.
47. Some NGOs draw attention to the place of the *family* in social policy. Changes in the structure of families and the roles of women have significant implications for social protection systems, especially in the southern Member States. Families play important roles, however, in providing education, care and services in all Member States and family policy should therefore be explicitly mentioned in the Treaty.
48. NGOs (e.g. European Anti-Poverty Network, European Union for Local Authority Staff) particularly stress the need to pay special attention to *vulnerable groups*, such as older people, one-parent families, the disabled, the long-term unemployed, ethnic minorities/migrants and to *disadvantaged areas*, both urban and rural. The need for social integration measures at local level, including voluntary services and cultural activities, is identified by governments, local authorities, NGOs and individual experts.
49. Issues centering on the impact of the *ageing population* and the role and contribution of the elderly attracted responses from NGOs (Eurolinkage, European Platform for Seniors' Organisations). The need to look at the impact of the ageing population on other policies was also stressed. At the conference, calls were made to pay more attention to ageing workers (age discrimination, flexible retirement practices) and the needs of the older elderly (care and poverty). Those elderly with additional handicaps such as the disabled and immigrants, were identified as being particularly vulnerable.
50. Organisations representing *disabled people* (e.g. European Disability Forum) also called for additional measures to strengthen their economic and social integration. Technical adaptation of workplaces and special training were seen as fostering their integration into working life.
51. NGOs and local authorities called for further support for *areas in decline*. Rural development is considered a wider issue than agricultural development and local authorities, NGOs and some social partners suggest integration measures in the form of job creation in tourism, transport, health, care and social services.
52. General support was expressed for EU programmes operating in this area, but at the conference a call was made for greater attention to be paid at all levels to the gender and race dimensions of welfare measures.

53. While recognising the positive role of the *Structural Funds*, notably the European Social Fund, respondents from all sides point to the need for more effectiveness and improved working methods, including greater transparency, more flexibility, involvement of grass-root organisations and regular evaluation of results.
54. It is also agreed by a majority of contributors that the *role of the European Union* in this area should be to draft flexible framework instruments, aimed at the convergence of policy objectives. It can also actively offer "added value", through social action programmes which encourage the spread of good practice and the exchange of information and experience. Declarations, codes of good practice, encouragement of pilot projects, networking, financial support and, last but not least, regular monitoring of the implementation of existing social legislation should be undertaken.
55. Wider *consultation* of all parties concerned - governments, European social partners, and representatives of European regions and NGOs - is considered indispensable. In addition, it is generally suggested from all sides that all policies aimed at economic and monetary convergence should be subject to regular *monitoring and assessment* as to their social consequences.

CHAPTER 5: Free Movement of Workers and Migrating Workers

56. This chapter looks at contributions on two main issues: measures aimed at facilitating the free movement of Member State nationals and issues concerned with immigrants to the European Union.
57. Free movement is one of the oldest principles of the Union and there is a common understanding on the need to facilitate *free movement of workers and citizens* within the Union through lifting the remaining obstacles. This includes improving the co-ordination of national social security systems and of related supplementary systems. Some NGOs and the Belgian government also propose more flexible access to health services.
58. A majority of respondents support the Commission's views on better co-ordination of rights to *unemployment benefits* so as to take account of the changed socio-economic situation and to facilitate labour mobility.
59. The social partners notably refer to the position of *seconded workers* who are sent to undertake jobs in other Member States and propose EU regulation in this area. The French and Dutch governments also support this view.

60. With regard to the *labour market*, there are numerous calls from all sides for a simplification of the rules of co-ordination. At the same time there is a general demand for improvement of mutual information dissemination on jobs and applications through the EURES network. Simpler administrative procedures could also encourage people to look for jobs in other Member States.
61. Respondents also point to the urgent need for more effective mutual recognition of *diplomas and qualifications* across the Union.
62. A majority of NGOs, special interest groups and individual experts call for an extension of European integration strategies to cover immigrants and provision for better co-ordination of policies on visas, rights to asylum, right of permanent and temporary residence.
63. Extension of the possibilities for "*family re-groupment*" of migrants - for family members currently excluded, such as the elderly and disabled people not in the charge of a local resident, - is estimated by all NGOs and interest groups as indispensable for the better integration of migrants.
64. Requests are made to include the principle of prohibition of *discrimination* in the Treaty, including that based on grounds of race, colour, ethnic origin and religion. Additional legislation is also sought to prevent and punish discrimination and acts inspired by *racism* and *xenophobia*.
65. Application of the *principle of equal treatment* to all legally and permanently resident third country nationals and their families is widely supported and *positive action* is proposed to improve the social and economic integration of migrants into trade unions and other associations, and into existing education, training, housing and health systems. There are pleas for rights to travel without visa and the right to live and work in other Member States as well as for an EU-citizenship for migrants after a certain period of residence. However, it should be noted that some governments call for caution in any extension to free movement (Luxembourg) and to general free movement without an agreed EU policy (Germany). Some contributors, e.g. Spanish government, stress the need for the EU to develop a *co-operation strategy* with the countries of origin of migrants.

