

COMMISSION OF THE EUROPEAN COMMUNITIES

GREEN PAPER

EUROPEAN SOCIAL POLICY

Options for the Union

SUMMARY

The purpose of this document is to outline the principal themes of the Green Paper on social policy, and to reproduce the 65 questions contained therein. The full text of the Green Paper can be obtained by applying to the Commission's offices as listed on page 26.

DIRECTORATE-GENERAL FOR EMPLOYMENT,
INDUSTRIAL RELATIONS AND SOCIAL AFFAIRS

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INTRODUCTION — THE PURPOSE OF THE GREEN PAPER



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European social policy¹ is entering into a critical phase. This is due to three main factors:

- the present Social action programme is reaching its natural end. The Commission has presented all of the 47 proposals involved and, while some of the most important proposals are still pending before the Council, the majority have been adopted;
- the entry into force of the Treaty on European Union has opened up new possibilities for Community action in the social field, particularly by giving a stronger role to the social partners; and
- the changing socioeconomic situation, reflected notably in the serious levels of unemployment, is requiring a new look at the link between economic and social policies, both at national and Community level.

The Commission considers that this situation requires the launching of a wide-ranging debate

about the future direction of social policy, before it proceeds to put forward specific proposals in the form of a White Paper.

There is much debate in all Member States about how to address the problem of unemployment, much of which is now recognized as being structural in character. At the same time, there exists a growing degree of public concern that, contrary to the objective of ensuring that economic and social progress should go hand in hand as clearly stated in both the Treaties of Rome and Maastricht, the net impact of the integration process could be a levelling-down of social standards. In this context, the Green Paper, and the process of debate which it is designed to trigger, will be interactive with the discussions around the White Paper on growth, competitiveness and employment.

The premise at the heart of this Green Paper is that the next phase in the development of European social policy cannot be based on the idea that social progress must go into retreat in order for economic competitiveness to recover. On the contrary, as has been stated on many occasions by the European Council, the Community is fully committed to ensuring that economic and social progress go hand in hand.

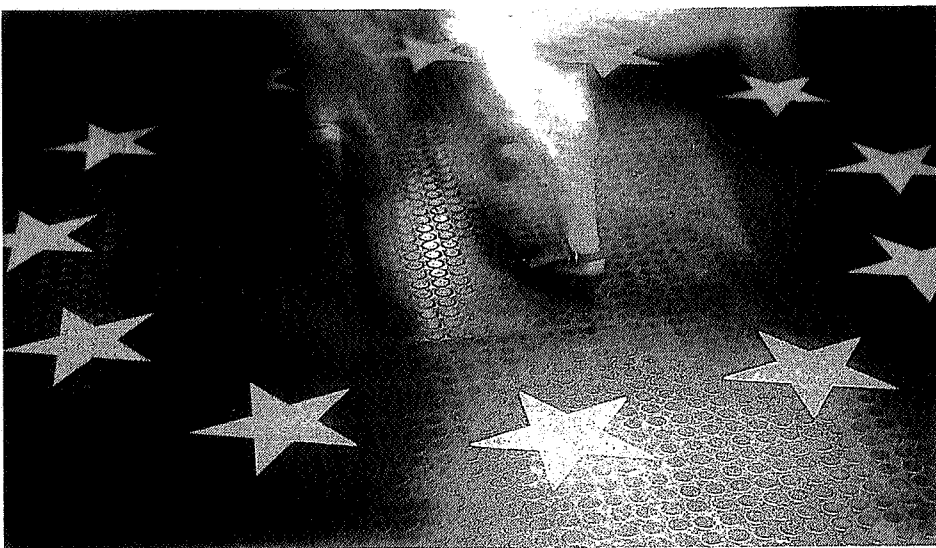
¹ The term 'social policy' has many different meanings which also vary from Member State to Member State. For the purposes of this document it is taken to mean the full range of policies in the social sphere including labour market policies.

In current conditions this will not be easy. But Europe's continuing contribution to the search for a model of sustainable development which combines economic dynamism with social progress can only be made if the issues are openly debated and a consensus arrived at. The rich diversity of the cultures and social systems within the European Union is a competitive advantage in a fast-changing world. All societies are in the same process of learning. But diversity may deteriorate into disorder if the common goals, which embody the distinctive values of European society and are set out in the Treaty on European Union, are not defended by the efforts of Member States and by people themselves.

Part I sets out what the Community has already achieved in the social sphere. Part II looks at the social challenges now facing us all. It examines the risks of declining social cohesion in Europe and the threats to important common goals such as social protection, solidarity and high levels of employment. A new medium-term strategy is needed which will draw together economic and social policies in partnership rather than in conflict with each other. Only in this way will sustainable growth, social

solidarity and public confidence be restored. It is acknowledged that European production systems need to be based on the new technologies. There can be no social progress without wealth creation. But it should also be recognized that the consequent structural changes will have considerable impact on other important areas, such as employment intensity, working and living conditions, the quality of life and the development of industrial relations. Part III discusses the possible responses of the Union to these challenges, both in terms of what Member States want and of what the Community is trying to achieve. Part IV provides a brief conclusion. Part V brings together the questions raised in different parts of the Green Paper. These will be the focus of the debate to follow.

Europe is at a turning-point. Decisions taken in the coming period will set the direction of social policy for many years to come. Now is the time for all sections of opinion to make their views known.



The Community is fully committed to ensuring that economic and social progress go together

Photo: © CEC

I — ACHIEVEMENTS OF THE COMMUNITY SOCIAL DIMENSION

Community social policy has covered a wide range of areas. These include equality of opportunity, health and safety matters, employment and labour law matters, issues of social protection and social security, as well as action focused on specific areas such as poverty and the role of the disabled. It has been developed both through the evolution of the Treaties and by social and economic change, and has drawn on a variety of instruments, depending on the objective concerned. It has, in this respect, fulfilled three major functions:

- to provide a legal framework in specific areas of the Treaty;
- to give substantial financial support, in particular for training and employment measures;
- to stimulate and encourage cooperation between the various representatives of social policy.

A — LEGAL ATTAINMENTS OR 'ACQUIS'

Legal provisions have been put in place over a long period. They have furnished a sound basis

for the guarantee of fundamental social rights for workers, rights which have been further consolidated in the case-law of the European Court of Justice.

The first Regulations adopted in the social field relate to the free movement of workers, one of the four freedoms of the Treaty, and specifically concern the coordination of social security systems for migrant workers.

Another area of Community legislation is equal treatment between men and women.

A third area of more recent legal development concerns the protection of workers as regards health and safety at work.

Other legislation concerns the protection of workers and labour law.



Fundamental social rights for workers have been further consolidated in the case-law of the European Court of Justice

Photo: © CEC

B — THE CHARTER OF THE FUNDAMENTAL SOCIAL RIGHTS OF WORKERS AND THE ACTION PROGRAMME

The instruments used by the Community either individually or in combination culminated in the Charter of the Fundamental Social Rights of Workers adopted in 1989 and in the Commission's action programme. The Charter represents a framework of principles, covering many aspects of working and living conditions.

C — FINANCIAL SUPPORT

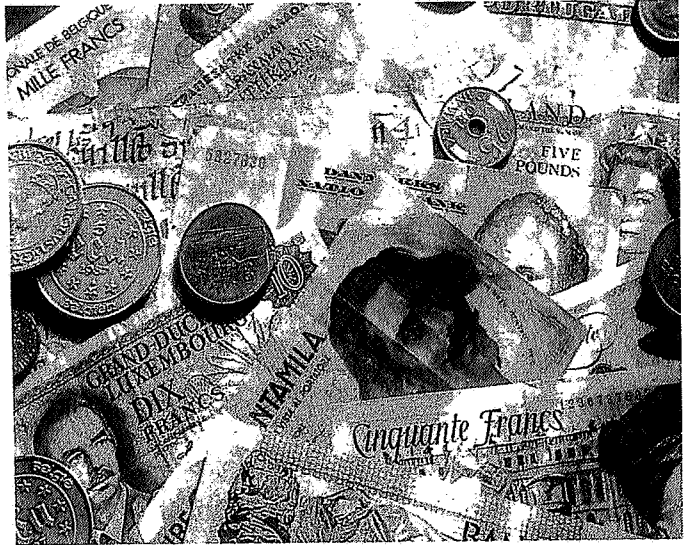
The massive financial support of the European Social Fund (ESF) for training and employment measures has contributed greatly to the development of national measures, especially as far as young people and the long-term unemployed are concerned. The role of the ESF has been especially significant in developing training programmes in the least-favoured regions of the Community.

During the period 1989-93, the ESF devoted more than ECU 21 billion to these activities, benefiting around 17 million people in the Community.

The scope of the European Social Fund has been widened as a result of the recent revision of the ESF Regulation. Its tasks now include broad human resources development and the improvement of the workings of the labour market.

D — COOPERATION, MOBILIZATION, EXCHANGES

In response to social and economic change and to common challenges facing Member States, a number of programmes and exchanges have



During the period 1989-93 the ESF devoted more than ECU 21 billion to training and employment measures, benefiting around 17 million people in the Community

been developed. These have led to the creation of large and successful networks. In some cases, this has involved the promotion of exchanges of information on national situations and/or policies (e.g. observatories/networks on employment, equal opportunities, family policies, ageing, exclusion).

E — SOCIAL DIALOGUE: A CONSENSUS APPROACH TO SOCIAL POLICY

A key feature of the Commission's work method in bringing forward proposals in the social field has been the practice of extensive consultation of the social partners at various stages. It has also involved a more *ad hoc* process of seeking the views of a wide range of representative bodies, including the three organizations, UNICE, ETUC and CEEP, which make up the present social dialogue at European level.

II — THE SOCIAL CHALLENGES FOR EUROPE

What follows in the Green Paper is an attempt to identify, in a synthetic and concise way, the major trends and challenges for Europe. It is not intended to be exhaustive.

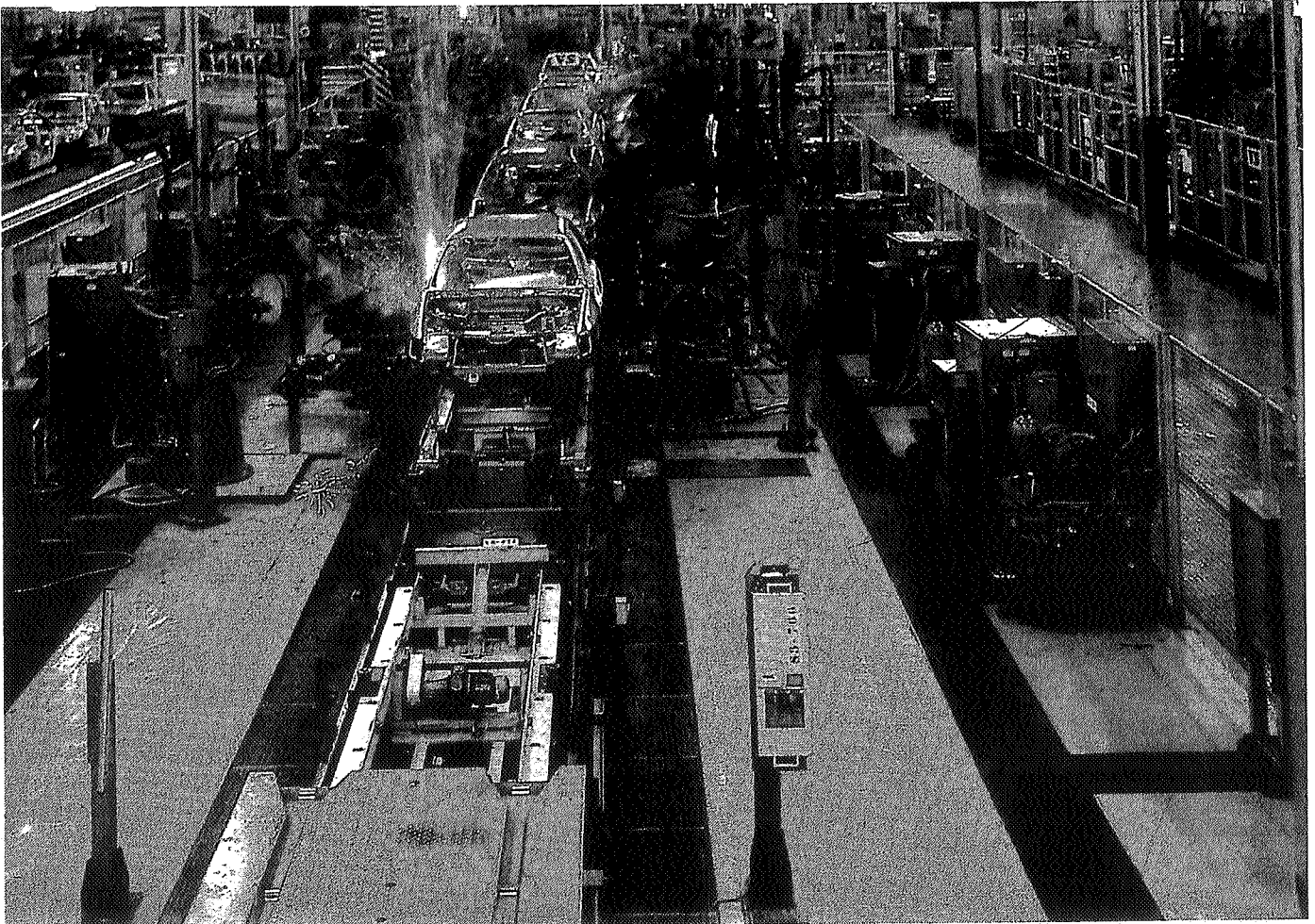
Part II begins with a short description of the background to the emergence of the European socioeconomic model and of the pressures — demographic, technological, industrial, fiscal, human — faced by Member States. Europe is now entering a period of development in which its capacity to build an active and open society and to combine economic dynamism and social

progress will be more important than ever. This is followed by an examination of the sort of society wanted and needed by Europeans.

Part II then discusses the critical areas of social policy where changes are most evident. The first is employment, where pressure from technological and structural change is changing patterns of employment and the role of work in society. There are pressures, too, on the Welfare State, notably because of the growing numbers of people affected by social exclusion, the widening need for integration meas-

Pressure from technological and structural change is modifying patterns of employment and the role of work in society

Photo: © CEC



ures and the significant demographic changes taking place in Europe. These are looked at briefly.

In a section on social justice and equality of opportunity, developments in the part played by education, changes in workplace relationships, intergenerational inequalities and workers' rights are highlighted. There is then a discussion of women's rights and opportunities, examining the labour market and the social implications of the changes taking place as they affect women.

The perspective widens to examine issues of socioeconomic cooperation and competition on an international scale and what impact these might have for Europe. This is followed by consideration of how Europe is adapting to the changing nature of the production process, seen throughout the world. This includes issues of where Europe stands in relation to the Japanese response to economic changes since World War II; the new balance between macroeconomic and structural policies; the interdependence of physical and 'intangible' capital; the apparent obsolescence of human capital; the role of job creation and entrepreneurship; changes in the role of the services; aspects of the quality of output, work and life; and the urban/rural balance.

Success will go to economies which are competitive and integrated, where full advantage is taken of new technologies and modern methods of production and work organization. There need to be high levels of investment in infrastructure, research and development, and, above all, people. People themselves need to feel involved in the process of continuing change which must be sustained over the medium-term; there needs to be a balance between physical and human capital.

There are important issues in the challenges facing Europe. They include issues of equality of opportunity, rights and responsibilities at work and in society, employment itself, the need for education and training throughout life, and social and economic integration. A robust debate around these issues will enable the Commission to make proposals to provide a framework for the Union's social policy until the end of the century. At the same time, this debate contributes to continuing discussions on the White Paper on growth, competitiveness and employment requested by the Copenhagen European Council.

In Part III the possible responses to these challenges are discussed, both in terms of cooperation between Member States and at the level of the Union.

III — EUROPEAN UNION — POSSIBLE RESPONSES TO THE CHALLENGES

A — DEMOCRACY AND SOCIAL POLICY: A MEDIUM-TERM STRATEGY

Social policy will have to address the problems facing the general population, citizens and workers, in the countryside as well as in the towns, women and men, young and old. It will also need to reflect the reality that there have been profound changes in the structure of the working population, both in terms of occupation and sex; in demography and migration; in the balance between the urban and rural population; in family structure; and in working/education/leisure patterns.

It should not be forgotten that European social standards have improved remarkably in the period since the adoption of the Treaty of Rome. However, Europe is now faced with unacceptable levels of unemployment, inequality between women and men, poverty and social exclusion. There is growing insecurity in the workplace. The scale of these problems calls for mobilization and cooperation based on a medium-term strategy which brings in both structural and cyclical policies.

The Commission believes that certain major objectives, set out below, could be the subject of consensus and could serve as guidelines for policies at various levels.

1. Properly directed social instruments contribute to the stable growth of output and jobs and to social and political stability. This is so because unrestrained competition in the market cannot cover certain risks to individuals. Nor can it redistribute resources to deal with poverty or achieve the necessary investments in human resources.

2. Social expenditure has to be pursued within the limits of public budgets and insurance funds, but economy measures should respect

programme effectiveness and social goals, including equity and solidarity.

3. The Welfare State now has to evolve towards an optimal balance between public, private-collective and individual provision, involving new partnerships in both the financing and delivery of services and recognizing the need for the State to regulate the overall system.

4. Social protection and labour market policies should, where possible, be directed towards the positive goals of human resource development, individual self-sufficiency and the integration of individuals into society, whilst recognizing the overriding need to provide a minimum, decent level of income to those in distress.

It is worth recalling the types of action available to the Union. These are:

- agreement to a convergence of policy in areas which remain a matter of exclusive Member State competence;
- programmatic cooperation through networking and exchanges of experience and good practice;
- financial support;
- use of social partners' agreement at European level;
- legislation.

B — PRIORITY ISSUES COMMON TO THE MEMBER STATES: PROMOTING THE CONVERGENCE OF SOCIAL POLICIES

The overall objective of an active, open and just European society as the essential aim of employment, social protection and equal opportunity policies is no doubt widely acceptable, but it is too unfocused to influence policy action. If the role of the Union in relation to these common policy goals is to mobilize the efforts of the Member States and civil society, then more precise objectives and quantified targets would provide a focal point for the necessary action.

1. What sort of objectives and targets would be acceptable to the Member States and the partners concerned?

In the field of the labour market:

- the provision of a job, activity, or useful training for all those seeking work or work-sharing?
- a new balance between expenditure on active measures and income maintenance?

In the field of social protection and exclusion:

- minimum income provision?
- an integration plan for all those excluded?

In the field of equal opportunities:

- targets for specific groups (work-sharing, income-sharing, decision-making) such as women?
- measures which reconcile family responsibilities with employment?
- for the young, a 'guarantee' of a job, activity or useful training?



Photo: © CEC

High structural unemployment has reached the point where it is socially dangerous as well as politically and economically unacceptable

- measures to encourage the horizontal and vertical desegregation of the labour market?

In the field of training:

- targets for the output of qualifications at different levels, so as to mobilize the different participants?

1. Improving the employment situation

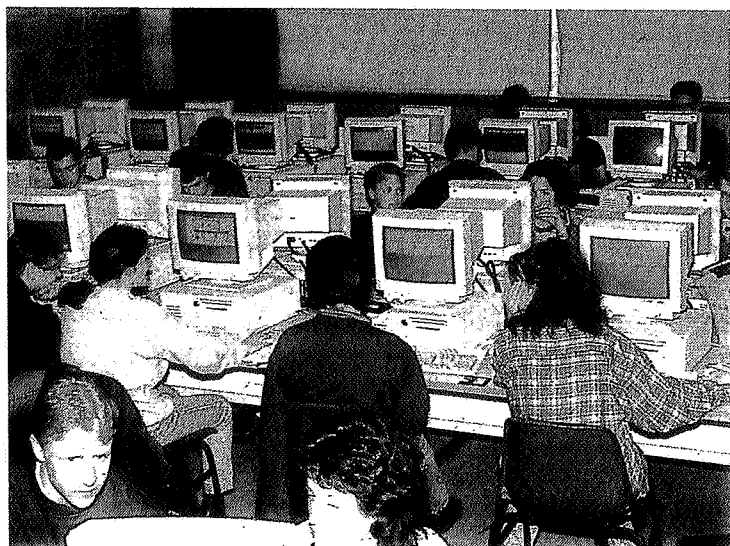
There can be no doubt that the causes and consequences of high and rising unemployment in Europe represent the single most serious challenge facing Member States today. Increased unemployment to a forecast Community average of around 12% in 1994, following on from already high structural unemployment, has reached the point where it is socially dangerous as well as politically and economically unacceptable. These high levels of unemployment are both the result and the cause of the Community's declining international competitiveness.

There is general agreement that the main solution to the problem will come from increased growth. However, there is also a growing recognition that growth alone will not be enough. The more Member States' policies are in agreement the greater the chance of success, both individually and collectively.

It was in this spirit that the Commission put forward in May of this year the Community-wide framework for employment, which was welcomed by the Social Affairs Council of 1 June.

The thrust of the employment framework is that the Community institutions and the Member States commit themselves to a continuing process of common analysis and coordinated policy action.

It is evident that in all of this the proposals which the Commission will bring forward in the growth, competitiveness and employment White Paper will be central to the development of such a medium-term strategy, bringing together the macroeconomic framework and the structural changes needed.



2. In what ways could the Community-wide framework for employment be further developed as part of a medium-term strategy to combat unemployment and promote a more employment-intensive pattern of growth?

3. What role could the social partners, organized at European level, play in such a process?

4. What could the role of Community action be in helping to underpin the process, either in the form of legislation or financial support?

2. Accelerating progress towards a quality-based production system

The analysis of the challenges in Part II points to the importance of the new production process as a means of creating the wealth by which the social objectives of the Union can be achieved. However, its significance goes further: (i) because the productivity dividend from new technologies depends on social negotiations, and (ii) because the impact of the changes on living and working conditions and on the quality of life could be considerable.

(a) Human resource development

It would be wrong to reduce investment in people to a simple economic calculation. There are fundamental political and social values at issue here. However, the importance of the need for investment in human resources development as a key means of ensuring competitive success in the global market has still not been fully understood.

Shifts in occupations and skills, and in systems of qualifications, will require fundamental changes in education and training systems

Photo: © CEC

Big shifts in occupations and skills, and in systems of qualifications, will require fundamental changes in education and training systems and in the relationship between training in enterprises and formal education and training systems.

Attention also needs to be paid to getting training schemes, particularly retraining programmes for the unemployed, better into line with the real needs of the marketplace.

Critical questions that need to be addressed are:

5. How can retraining schemes be better linked to real labour market needs?

6. How can we best work towards establishing the right of each individual to training throughout his lifetime, particularly when skills and qualifications constantly need to be enhanced because of industrial change?

7. How can we overcome the handicap whereby, in some Member States and in the Union itself, education and vocational training policies tend to be separately conceived and implemented?

(b) Labour standards and working conditions

These need to evolve to keep pace with rapid changes in technology and production organization, so as to facilitate the new forms of flexibility that enterprises need, whilst at the same time giving necessary protection to workers. In this respect, the Commission emphasizes the need for an early adoption of existing proposed directives, because they will help rather than hinder the support of the workforce for a fundamental process of change.

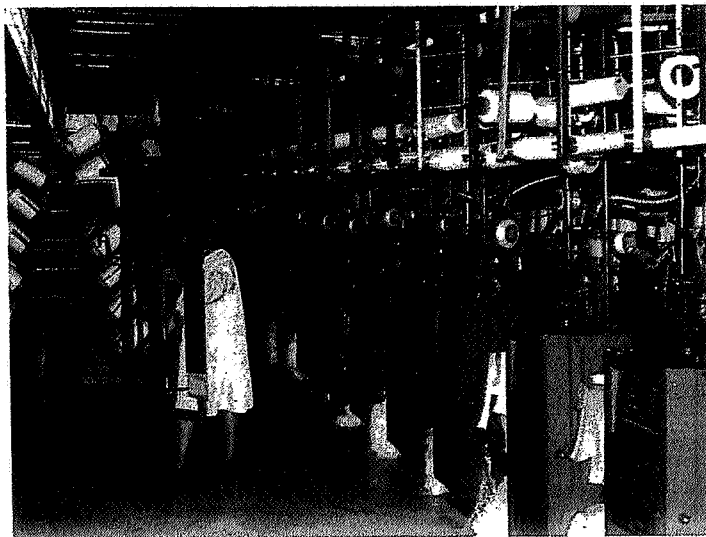


Photo: © CEC

The aim of Objective 4 is to facilitate the adaptation of workers, mainly through vocational training and retraining, to industrial change and changes in production systems

(c) Redefining labour market adaptability

Mastering this process of continuing technological and structural change requires a new and socially acceptable concept of flexibility. It is doubtful that the limitation to wages and mobility would be acceptable to the social partners under the present circumstances. The essential points appear to be negotiations about rights to education and training opportunities for workers, their participation in the process of change, and action to bring the new forms of labour market contract into the realm of acceptable standards of social security. This represents a considerable development of the collective bargaining agenda.

(d) Measures to accompany a quality-based production system

The preceding analysis emphasizes the role of the quality of human resources, in terms of skills and qualifications, as a key factor to ensure the implementation of quality-based production systems. The reformed ESF, in particular the new Objective 4, is designed to respond to these challenges.

8. How can we develop a regulatory framework which will help European enterprises to adapt to such changes?

9. What labour market and social policies can accelerate the development of industries at the leading edge of technological development while providing appropriate guarantees for workers' rights?

10. What is the scope for collective bargaining on these issues so as to reduce the anxieties and risks, and could framework agreements under the social dialogue assist the bargaining process?

11. What can the Union do to accelerate progress towards quality-based production systems, such as supporting innovative experiments and sharing the results?

3. Stimulating solidarity and integration

The social integration of all citizens is of strategic importance, because it goes to the heart of the impact of existing Welfare State policies and provides a powerful goal for the future development of Member State policy and action.



(a) Convergence of social policies

Social and economic integration (getting people back into the system) and income maintenance are the principal objectives of Community social policy.

12. Could there be better operation of income-maintenance policies in order to develop high levels of social protection, together with active labour market policies to achieve high levels of employment?

13. Should we go further and define specific convergence objectives in some areas, in particular in relation to new developments such as insurance for care of the elderly and individualization of rights?

14. In the field of taxation and social security, how can we offer appropriate incentives for the social and economic participation of women, again through the individualization of rights or through the removal of the 'two-adult/sole breadwinner' concept of family from taxation and social security policies?

(b) The fight against poverty and exclusion: prevention and rehabilitation

This challenge to the social cohesion of the Union calls for a mobilization of efforts by Member States and all those concerned and for reinforcing the bulwark of social rights.

15. What types of action should be taken to step up the fight against poverty and exclusion?

The Commission is proposing a new dimension to its fight against exclusion and poverty

Photo: © CEC



The Community has done much to promote vocational training opportunities for young people

Photo: © CEC

16. Should a combination of commitments to fight against poverty and exclusion be more formalized (through appropriate legislation)?

17. Should future action be developed in specific action programmes and/or the more precise setting of selected objectives and targets at Union level?

(c) Youth opportunities and risks

The Community has done much to involve young people in European affairs, stimulate youth policies ('Youth for Europe'), tackle the problem of youth unemployment (the Social Fund), and promote vocational training opportunities for young people so as to strengthen the transition to work (PETRA).

18. How can a modern version of the 'apprenticeship' system, in which today's problems of transition from school to work are addressed, be best developed?

19. How can we tackle the persistent problem of segregation in youth education, training and employment which restricts the vocational choices of young women?

Solidarity between the generations is still vital but the principal problem remains the social integration of the aged

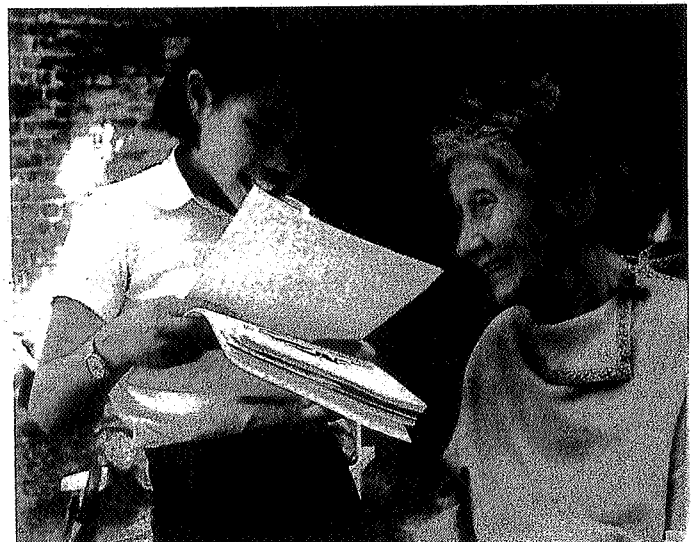
Photo: © Entr'Agés/I. Lebert

20. Is there a need for a 'youth guarantee', i.e. providing a job, an activity or useful training as a means of stimulating necessary action?

21. Can youth employment be given a stimulus by lower 'entry wages' without distorting recruitment patterns or discriminating against older workers?

(d) The economic and social role of the elderly

Many older people are better off than in the past, both in terms of income, social services and health. But there are also significant numbers who, because of their careers and social security coverage, are not adequately protected in old age. Solidarity between the generations is still vital but the principal problem remains the social integration of the aged. This has been the focal point of the Community's work in this area and a key element of the 1993 European Year of Older People and Solidarity between Generations.



22. How can the present progress of the European Year of Older People and Solidarity between Generations be built on?

23. How could the report referred to in Article 7 of the Social Agreement be used as a basis for a strong debate on demographic trends and their consequences for social security, employment, etc. and perhaps the development of a regular monitoring process?

(e) Equal opportunities for third country immigrants

Work has been going on since 1986 at inter-governmental level on immigration to Member State territories, to define a common management of flows, of which some are the consequence of international obligations entered into by Member States (family reunion and refugees); others may arise from potential imbalances in the supply and demand of labour. Title VI of the Treaty on European Union now allows for common action on immigration policy and policy regarding nationals of third countries.

24. How can we best stimulate policies and practices which promote a concerted integration policy which aims at the harmonious coexistence of peoples in the Union?

25. Should the employment conditions of third country nationals be dealt with in the social dialogue with a view to adapting codes of good practice?

26. Should a permanent residence entitlement be accorded to those who satisfy stability criteria, including personal rights for family members of legally resident immi-

grants, in order to ensure successful integration?

(f) The integration of disabled people

The ultimate test of policies for disadvantaged groups will be how the effort to socially integrate people in difficulty applies to people suffering from a physical or mental disability.

27. How can we best progress in the area of integration of disabled people?

28. Should the Community develop a specific legislative action in this area? What role would the social partners play in this respect? How can partnerships be strengthened between the various people concerned, NGOs, social partners, local authorities, etc.?

(g) The fight against racism and xenophobia

Racial discrimination and xenophobia are not only directed at immigrants. They also affect citizens of the Member States. However, in a time of recession, where there is competition for jobs and housing, ethnic minorities can be a scapegoat for the fear and anger in society.

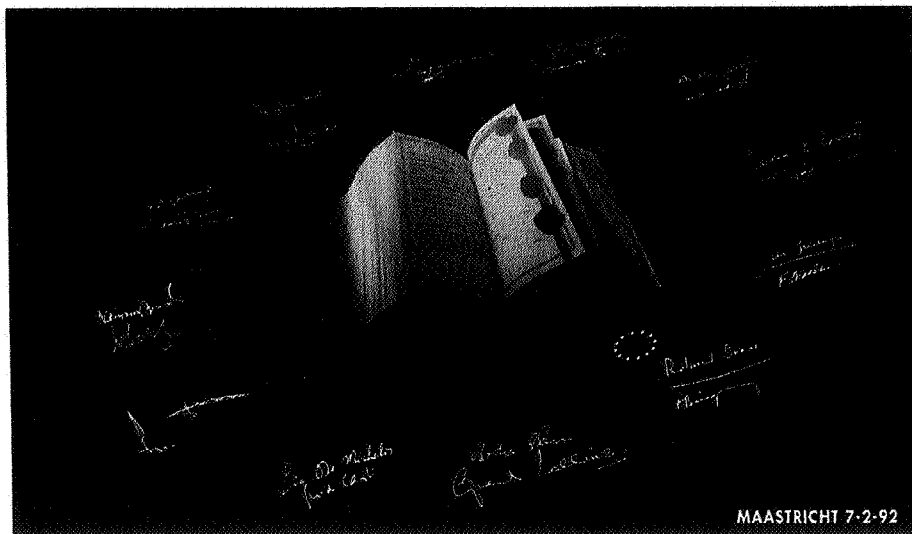
The effort socially to integrate people in difficulty applies to people suffering from a physical or mental disability

Photo: © CEC



The entry into force of the Maastricht Treaty has created a new situation in relation to social policy at European level

Photo: © CEC



29. How can we improve and broaden the promotion of measures in the field of education, information and legislation as tools in counteracting racist attitudes, acts and discrimination?

(h) Social policies and rural development

The birth of modern social policy has its origin in the plight of the urban poor as a consequence of the industrial revolution.

30. As the risks of exclusion and marginalization in rural areas are increasing, what further action other than that undertaken at present would prevent rural social decline?

C — MAIN POLICY OBJECTIVES AT EUROPEAN LEVEL

The entry into force of the Maastricht Treaty has created a new situation in relation to social policy at European level. In the first instance, there is the existence of the Agreement on Social Policy, adopted by 11 of the Member States and enshrined in the Protocol on Social Policy which is annexed to the Treaty.

This Agreement seeks to clarify the kind of areas which the Union's social policy would cover and also establishes new procedures for decision-making.

31. Which areas of social policy are most likely to be amenable to being addressed by collective agreements?

32. Which areas are most likely to need a legislative approach?

33. Can framework laws provide the kind of results required, such as, for example, in the areas of minimum standards or equality of opportunity?

1. The single market and the free movement of people

It is only in the context of the single market programme that the Council extended the right of stay to all nationals of the Member States, even if they do not pursue any economic activities but provided that they have health insurance and sufficient means by which to live.

In its White Paper on achieving the internal market the Commission indicated that before 1992 the remaining barriers to the free movement of self-employed persons and workers needed to be lifted.

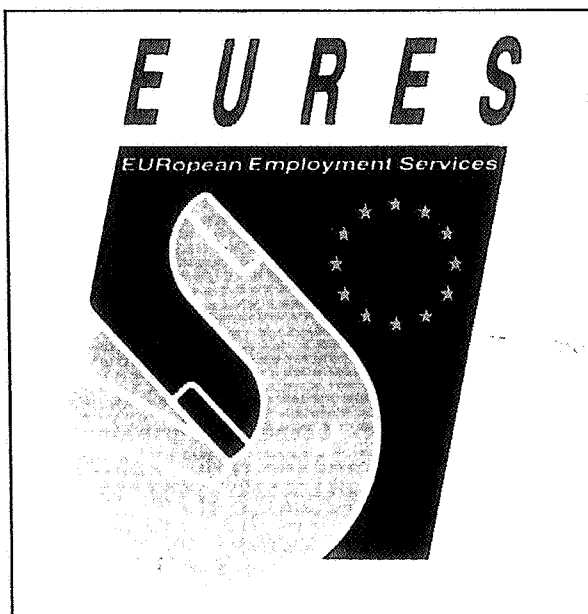
People who exercise the right to free movement are often confronted with cumbersome administrative procedures. Local administrations are not always aware of the rights enjoyed by Community citizens; and, particularly in the case of less-qualified workers, mobility is far from easy.

34. What type of action should be taken at Community level to tackle the following issues?

- lifting of remaining legal barriers to the free movement of workers (family reunion, equal treatment, residence rights, excluded people);
- development of the EURES network in order to provide guidance and information on Community-wide job offers and living and working conditions;
- equal treatment for all Community citizens resident in a Member State, in particular as regards social and tax advantages (students, pensioners, etc.);
- providing for a better protection of mobile workers, in particular by facilitating the acquisition, preservation and transfer of occupational pension rights;

The EURES network is responsible for exchanging information on job offers and applications throughout the Community

Photo: © CEC



extension of the coverage of social security coordination; simplification of rules; modernization of procedures; better information for the public;

providing better information for lawyers, magistrates and others dealing with the implementation of Community legislation.

35. What concrete steps are required to ensure the elimination of all outstanding barriers to mobility based on problems of mutual recognition or equivalence of qualifications?

2. Promoting equal opportunities for women and men in a changing European society

The European Community has a longstanding track record in promoting equal opportunities for women in the labour market. In particular, the Community has developed a wide-ranging legal framework to help promote the full participation of women in the labour market. In time of recession, action in this regard needs to be defended and strengthened because the key labour market indicators show that unemployment hits women harder than men in almost all Member States.

There needs to be a combined labour market and social policy to develop the rights and opportunities of women, one which reflects their role in society and their needs throughout their lives. The strategic objective should be to go from equal rights to equal treatment in the labour market through equality of opportunity in society, thereby making better use of women's experience and skills for the benefit of society as a whole, including increased participation in the decision-making process.

36. What more should be done at Community level to promote equality of

opportunity between women and men in fields such as education and training, research and development, and employment and labour market policies?

37. Should specific goals and timetables — including quotas, targets and positive measures — be used to ensure a fuller participation of women in areas in which they are under-represented?

38. What steps should be taken to reconcile family and work responsibilities?

39. Should monitoring mechanisms be developed (and at what level) to assess the position of women in relation to the above as well as pay benefits and family-friendly policies, notably the organization of working time?

40. Which specific obligations should be put on employers and unions to ensure a proper recognition of women's interests within the social dialogue and more balanced participation of women and men at decision-making level within the representative organizations?

41. What more needs to be done at Community level to ensure the practical implementation and monitoring of the principle of equal pay for work of equal value?

42. What form should a code of practice to guide and ensure implementation of this principle take?

3. The social transition to economic and monetary union

Having eliminated the internal frontiers in order to guarantee the free movement of goods, persons, services and capital, the next logical step in the process of economic integration will be the transition to a single currency. The goal of economic and monetary union (EMU), the most



Photo: © CEC

The European Community has a long-standing track record in promoting equal opportunities for women in the labour market

ambitious project in the process of European integration, is provided for in the Treaty on European Union. Some consideration needs to be given to the implications for social policy of this transition. For example, to what extent will EMU also require a more active social policy?

43. Could the Union issue recommendations in this process of economic and social convergence, after due consultation with all the national authorities concerned and the social partners, with a view to making sure that the process of economic integration does indeed contribute to its most basic objectives as defined in Article 2 of the Maastricht Treaty?

44. Should the Union promote convergence of social policies alongside convergence of economic policies through:

the definition of common objectives and monitoring (e.g. on the same basis as convergence of social protection policies and objectives)?

possible recommendations on important economic issues, e.g. in preventing social dumping?

monitoring procedures for social policy in the transition towards EMU?

- the strong involvement of the social partners in these procedures?
- joint discussions of the national authorities responsible for economic affairs and for social policy?

4. Issues of social standards

Europe's social policy is influenced by the operation of free markets, especially free labour markets, and by the development of social ground rules. There are two important elements in this concept. On the one hand, a defensive mechanism to ensure there is a minimum floor below which social standards should not fall in certain key areas and, on the other hand, a more proactive concept aimed at ensuring convergence through social progress.

(a) Common minimum standards relating to working conditions and labour law

The achievement of the single market and of economic and monetary union will be at risk if the general population, and notably the working population, does not take part in the venture. The issue of social dumping is often invoked in this context.

(b) Social standards within Europe

High social standards, which are a complex mix of working and living conditions, are a clear objective of the European Community. European experience has shown that they are an integral part of a competitive model of economic development. They are determined by a variety of government policies and by collective bargaining for a given level of economic development, this complementary approach being considered as essential to a democratic community. It is therefore a matter of concern

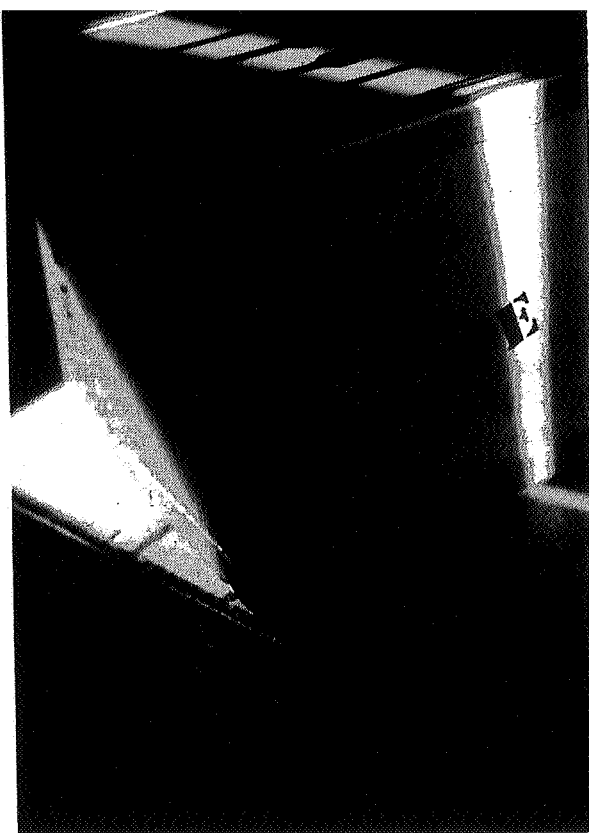


Photo: © CEC

The welfare of the European Community is dependent on playing a full role in an open, world competitive system

that global economic competition, and the resulting international trade in goods and services, should improve and not reduce social and working standards. In particular, it would be a dangerous trend if unfair competition through unacceptably low standards should become widespread.

(c) Adjustment assistance

Since the place of the European Community in the world division of labour is bound to be towards high-quality production with high social standards, resistance to industrial restructuring will be counterproductive in the long run. There is a strong case for government action to provide assistance to those workers who are the most affected. The European Union, especially through the new provisions for Objective 4 of the Social Fund, can assist this process by stimulating action to anticipate major structural changes and by providing training and other measures to absorb the shocks.

45. What are the social ground rules needed by a union of Member States, whose future lies at the leading edge of the market and whose history and success have been built on certain values which cement them together, in all their diversity, as a fraternity of nations?

anticipation and monitoring processes through, for example, observatories or special bodies?

adjustment assistance measures supported by the ESF?

46. It is recognized that the Union needs to be a reliable partner in world trade. But to ensure progress in labour standards and fair competition, should the Union put a strong emphasis on the prevention of the risk of social dumping through:

adequate minimum provisions at Community level?

possible agreements between employers and unions if they so desire?

5. Reinforcing the social dialogue

The unique political construction that is taking place in Europe is fundamentally linked to the diversity of its members, and the difficulty of forging its Union is certainly affected by the phenomenon of growing decentralization present in all States, national, federal and confederal.

The role of the social partners in the process of European construction is vital

Photo: © CEC



This is why the role of the social partners in the process of European construction is vital, even if the process of social dialogue has been slow to mature.

The key issue in this respect is whether collective agreements could help to overcome some of the weaknesses in the legislative process, notably the difficulty of reaching a consensus by consulting the social partners before submitting legislation.

(a) Strengthening the architecture and functioning of the social dialogue

The Commission is undertaking a study, in cooperation with the national administrations concerned, of the arrangements for recognizing social partners in the Member States. It is hoped that this study will provide useful information for strengthening the three functions of the social dialogue at European level: consultation, dialogue and negotiation.

(b) The issue of European-wide collective bargaining

The different legal frameworks in Member States, the varied structures and traditions of collective bargaining, and the limitations to real negotiating power at European level mean that the road to collective agreements will be a difficult one.

Nevertheless it is clear in the Commission's view that much progress can be made without waiting for a full-blown European collective bargaining system. The European Union Treaty institutionalizes a space for collective agreement between the social partners.

(c) The changing industrial relations agenda

Against a common background of structural change and cyclical crisis, employers and trade unions have been propelled towards new issues where the balance between cooperation and conflict has been changed.

47. The social dialogue at Community level has already reflected these trends in industrial relations and has demonstrated its value as a platform for the next steps. Where will the priorities lie? This is a matter for the social partners themselves, but the Commission would like to advance some points for discussion, bearing in mind the different levels (interbranch, sectoral, transnational enterprises) of the dialogue.

48. Should higher priority be given to employment, education and training, in which the social partners have already had discussions and the Commission is taking new initiatives? The two issues are linked because the use of training to cope with problems of industrial adaptation will reduce the strains on the external labour market and prevent further unemployment.

49. What will the social partners' involvement be in the wide range of issues related to the completion of the single market and to free movement within it: mutual recognition of qualifications, portability of pensions, social security, or transnational training?

50. Should the social partners strengthen their involvement in the following issues: exclusion, equal opportunities, reconciliation between work and family, problems of older workers, or integration of immigrant workers from third countries?

51. How could the social dialogue be strengthened and broadened (assuming of course the willingness of the partners)? A number of issues might be considered:

- new possibilities for European-wide collective bargaining;
- broadening of the agenda on issues which will influence the future of industry: health and safety at the workplace, demographic trends including the role of older workers, social protection, equal opportunities, integration of migrant workers, preventing and combating exclusion, measures to facilitate the free movement of workers (mutual recognition of qualifications, transnational training, portability of occupational pensions, etc.);
- possible partnership with other bodies on some issues (e.g. with NGOs on equal opportunities and the integration of disabled persons in the labour market, and with NGOs and local authorities on exclusion).

6. Health matters

Separate Commission communications on both health and safety at work and public health have been prepared and therefore are not dealt with in detail in the Green Paper.

7. Economic and social cohesion: the role of the European Social Fund

No democratic State or union of States can function without efforts towards economic cohesion between poor and rich regions and solidarity between fortunate and disadvantaged social groups. The ESF, as a component of the Community's social policy (Article 3(i) of the Treaty on European Union) and as one of the four Structural Funds of the Community, contributes to both: it is a tangible demonstration of the Community's concern for the development of human resources and the improvement in the functioning of the labour market, both from a regional perspective and in relation to



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In the future, emphasis has to be placed on the promotion and maintenance of a high level of human health in the European population

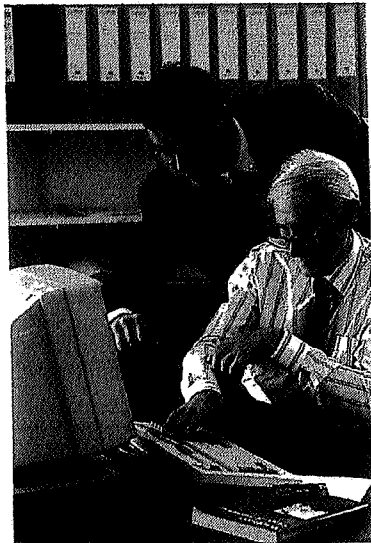
vulnerable groups. Bearing in mind not only subsidiarity but also value-added, the ESF has to be seen as a complement to the efforts of the Member States in the same direction.

(a) Tackling the diverse needs of the unemployed and those excluded from the labour market

In addition to its continuing focus on young people and the long-term unemployed, ESF activity under Objective 3 has been extended to provide support to those exposed to long-term unemployment and exclusion from the labour market.

(b) Adapting the workforce to the new challenges

A new Objective 4 has been specifically created so that the ESF, throughout the Community, can facilitate the adaptation of workers to industrial changes and to changes in production systems.



A more highly educated, adaptable and creative workforce is needed to sustain changes in production organization

Photo: © CEC

(c) Strengthening initial training/education and research, science & technology (RS&T) systems

Emphasis on initial training and education is essential because of the significant preventive function they can provide and their medium to long-term importance in determining a meaningful continuing education and training system.

(d) A partnership approach

To gain maximum benefit from the increased scope and flexibility of the revised Social Fund in responding to the challenges faced by Member States requires not only strong partnership between the Commission and the Member States and regions, but wider partnership within Member States.

(e) Concentrating on the areas of greatest need

Both the Commission and the Member States are required to ensure, within the partnership at the planning and programming stage, that Community assistance, whether through mainstream

funding or through Community initiatives, is concentrated on the most important needs and the most effective operations.

Specific questions for consideration include:

52. What mechanisms, at national and Community level, are required to ensure that the outcomes of Community support for innovative programmes get translated into the mainstream of the human resource policies of Member States?

53. How can the ESF contribute to the removal of institutional and systematic disincentives to the taking-up of training and employment possibilities, including those which affect equal opportunities for men and women and the awareness of problems faced by those excluded from the labour market?

54. What mechanisms are most appropriate to ensure that, at ground level, action to develop human resources is properly taken into account when investment decisions on infrastructure and productive environments are made?

55. What kind of measures must be implemented in order to improve the anticipation of industrial changes and related skill needs?

56. What mechanisms are required to ensure that, in addition to the national authorities and the Commission, all the necessary partners (including local and regional administrative bodies, the economic and social partners, NGOs and education institutes, etc.) play a full part in programming and taking operational decisions to achieve the successful implementation of action?

57. Should more ESF support go towards funding a system of trainee choice, thus encouraging competitiveness between training providers and putting a premium on quality?

8. International aspects

The emergence of a period of peaceful socio-economic cooperation and competition in which the European social model will, on the one hand, be a major asset in terms of the Union's diplomacy but, on the other, will be under threat, compelling closer consideration of the external relation aspects of social policy.

(a) Minimum international standards

The issue of minimum international labour standards is complex and difficult. The promotion of basic workers' rights through agreed international labour standards is actively pursued through existing international institutions, such as the International Labour Organization (ILO), and the Community will continue to play a constructive role in this process.

As the globalization of economic production gains momentum, these difficult issues will continue to be debated in the search for a fair and equitable balance between safeguards

against unfair competition based on exploitative labour conditions and legitimate comparative advantages.

(b) The EFTA candidates

The possible accession of some EFTA countries will, because of their relatively high social and labour standards as well as their important achievements in the field of equal opportunities for women and men, put pressure on the development of a strong social policy by the Union.

(c) Central and East European countries

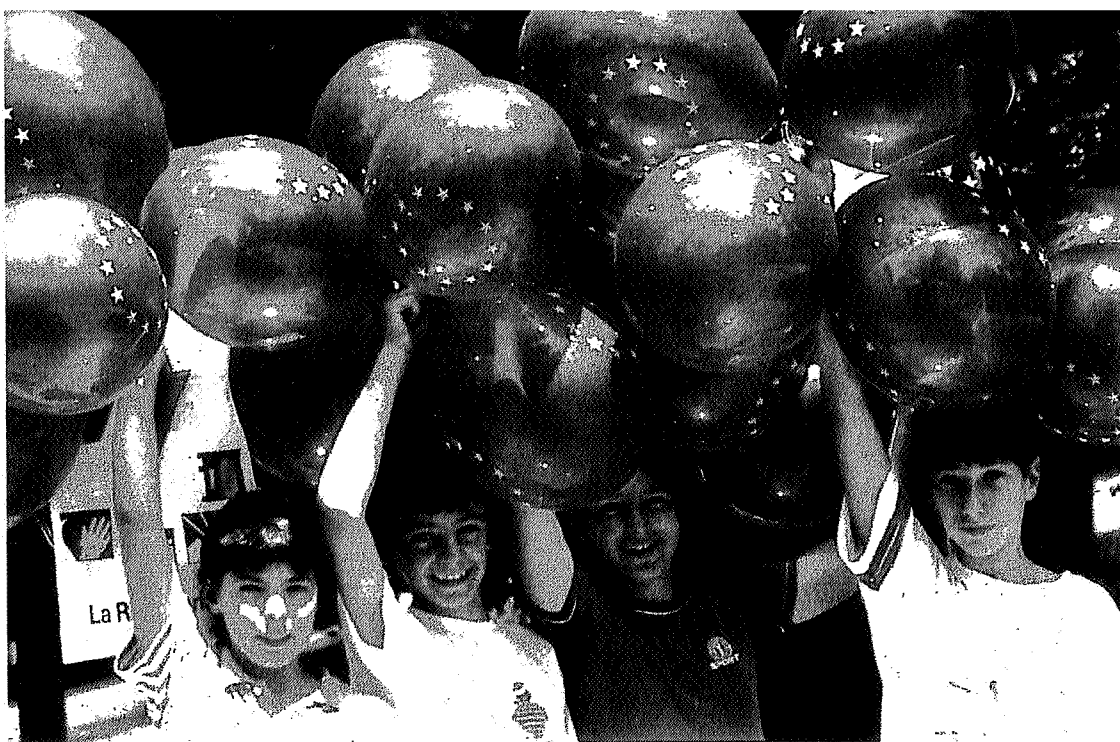
Communism in these countries generated a passive culture which collapsed from within, even if the appeal of the political democracy and the market economy of the West played a significant role.

In these circumstances, it is vital that the Central and East European countries be helped to establish effective social policies in an open



What should be the principal social policy priorities for the external relations of the Union?

Photo: © CEC



The transition to the European Union is a vital stage in the construction of a democratic Europe

Photo: © CEC

way which recognizes that the European social model is changing. There is much to be learned on both sides.

58. What should be the principal social policy priorities for the external relations of the Union?

59. How best can the Union pursue the agreement of international labour standards (e.g. via the ILO or social clauses in trade agreements)?

9. Democratizing the process of social change and constructing a people's Europe

The remarks on challenges (Part II) emphasized that the move towards globalism is paralleled by a movement in the Member States towards regionalism and localism. This development is partly due to the fact that in fast-changing societies, in which social innovation becomes a key requirement, decision-making becomes more decentralized because of the need for flexibility and responsiveness. In the next stage of European construction it will therefore be necessary to involve the 'grass roots' more, both for reasons of democratic functioning and for effectiveness.

60. How could the many networks cooperating with the Member States and the Commission contribute to identifying and solving the problems of society now facing the Union?

61. Would there be an advantage in envisaging an appropriate forum for discussion in which the strategic problems of European society could be debated in an open and democratic way?

62. How can we stimulate a kind of consolidated statement of citizens' rights within the Union, which would make existing rights explicit and seek to shift the existing labour market orientation to a more general people-oriented approach on the basis of values common to Member States?

63. What sort of information action would best contribute to promoting the wide awareness and understanding of social benefits amongst all citizens of the Union?

64. Should such a text be combined with a wide awareness campaign mobilizing all those involved in social policy at the various levels?

65. How can we ensure that women are fully involved in the building of a better and more people-oriented Europe?

IV — CONCLUSION

This Green Paper is being put forward with a view to raising a wide number of issues linked to the future of social policy in the European Union.

The Union is now entering a period of development in which its strength on the world scene will depend on its capacity to build an active, open and fair society which mobilizes the energies and talents of its people and improves their quality of life, both as workers and citizens.

Success is impossible without a competitive and integrated European economy, taking full advantage of new technologies and modern methods of production and organization. This means increasing investment in infrastructure and research as the active involvement of citizens in the process of change.

Many of the questions which have emerged in the discussion imply that stark choices will have to be made if Europe is to cope with the fundamental structural changes taking place today.

The formal deadline for submission of ideas and suggestions is 31 March 1994. These should be addressed to:

**Commission of the European
Communities
Mr H. C. Jones,
Acting Director-General DG V
'Green Paper'
RP 11 — 4/17
Rue de la Loi 200
B-1049 Brussels.**

All interested parties are welcome to contribute to this debate and consider the different options for the future. The reactions to the Green Paper will be taken into account by the Commission for the preparation of a White Paper in early 1994.

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Options for the Union — Summary

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