

## TOWARDS A COMMUNITY SOCIAL ACTION PROGRAMME

(based on a speech given on 10 September 1973 in Cambridge to the European Institute for Social Security by Mr Shanks, Director-General for Social Affairs at the European Commission)

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A Social Action Programme defining the priorities of the Community in the field of social policy is currently under discussion in the European Commission and will be presented to the Council of Ministers in October. If it is approved by the Council, it should take effect from the end of this year (see IRT Nos. 178 and 187).

Although the Treaty of Paris establishing the Coal and Steel Community (ECSC) which was signed in 1951 made provision for an active social policy for workers in the coal and steel industries, in particular measures for the readaptation of redundant workers, the Treaty of Rome establishing the European Economic Community which was signed in 1957 marked a return to a non-interventionist attitude and contained very few references to the necessity for positive social measures.

In recent years, however, there has been a growing awareness of the need for governments and the Community as a whole to play a much more active role to ensure that economic growth is used to provide the best possible quality of life for all the citizens of the Community. The Community has reached a level of economic development such that we can now afford to examine what growth has achieved and to make sure that the benefits of this growth are extended to all the minority groups in the Community which still find themselves at a disadvantage through living in less developed regions or through working in under-privileged occupations or sectors.

There is also the question, now being raised in all the countries of the

Community, of the costs of growth in terms of environmental pollution, in terms of diminishing the quality of life, in terms of condemning sections of the population to dreary, repetitive jobs, the effect on the quality of life of the need, in order to sustain the economic miracle, to bring in large numbers of migrant workers who now throughout Europe form a kind of depressed sub-proletariat.

There is no question here of advocating a no-growth policy; economic growth and an active social policy are not only compatible, they are in fact mutually dependent; it is only by maintaining growth, and a high level of employment that it is possible to have the option of developing a policy of social reform. But at the same time, without an active policy of social reform, it will not be possible to sustain economic growth in Europe because the social, political and cultural problems generated will themselves slow down growth unless an effort is made to solve them.

Finally, the achievement of the next stage of economic and monetary union will further accelerate the process of economic and industrial change, and, therefore, unless appropriate measures are prepared, it is liable to increase the social tensions within the Community.

It is for all these reasons that the Summit Conference of the Heads of State or of Government which was held in October 1972 (see IRT No. 162) stressed the priority nature of a Community social policy and called on the European Commission to present a programme of social action to be adopted before the end of 1973. The final Communiqué of this Conference reveals a new philosophy, a concentration on improving the quality of life, on improving the human face of the Community, and on an approach which is far more attentive to the social aspects of Community policies than that laid down by the Treaty of Rome.

It is obvious that the Social Action Programme only constitutes one aspect of the Community social policy, which itself cannot be isolated from the other policies - economic, industrial, regional, agricultural, transport, environment and consumer protection policies; all of these should reflect the social philosophy of the Community. The Social Action Programme itself has three major priorities: full and better employment, improvements in living and working conditions and greater participation, particularly of workers and their representatives, in the economic and social decisions of the Community as well as within the individual enterprise.

1. Full and better employment

The task is to promote not only full employment but also a better regional spread of employment, enabling workers, wherever possible, to find employment in their own regions, and to improve the quality of jobs so that workers can use and develop their qualifications. This is a basic objective of any social reform policy, for unless one first improves the quality of employment, other social measures merely act as a palliative.

The Regional Development Fund (see IRT No. 181) will help towards improving the regional level of employment, basically by means of investment credits. The Social Fund (the annual budget of which was 75 million dollars last year, may reach 300 million for 1973, and will probably exceed 400 million next year) makes it possible to provide half the finance for projects for the readaptation of workers affected by structural reforms (in agriculture, the coal and textile industries, etc.) and for promoting the integration into the labour market of underprivileged sections of the population: handicapped workers, migrant workers, women, young people, older workers, etc.

2. The improvement of living and working conditions

While there can be no question at the present time of harmonizing the

different systems of social services and social benefits employed in the Member States of the Community -- in particular because their diversity reflects cultural values, priorities and needs which differ according to the individual country -- it is nevertheless necessary to ensure that there are minimum standards of social protection within the Community and to enable the underprivileged groups found within the Community to come nearer to the average standard of living. In order to achieve this, a certain planned transfer of resources from the richest countries to the poorest countries, as well as within the individual countries, appears to be necessary. Clearly any such redistribution of resources is a complex process which could not be reduced to the level of a simple bilateral transfer, but will have to be undertaken, in a very flexible way, at Community level.

In order to establish the basic facts in the light of which objectives can be determined in conjunction with the Member Governments, it will be necessary to have much fuller information than has been available in the past. The European Commission is currently developing a system of social indicators to provide qualitative criteria on standards of living and working conditions as well as the normal quantitative criteria. At the same time, the Commission is developing the system known as the European social budget which is gathering together all the information on the social benefits payable in all the European countries, both at present and as projected over the next three years. On this basis, it will be easier to define certain common standards and to envisage certain kinds of Community contribution. It is clear, for example, that a harmonization of unemployment benefits throughout the Community would favour full employment and would remove the obstacles to the unification of the European market, but the technical problems would obviously be very formidable. A certain number of improvements could also be made to existing social security systems, for example, the coordination of schemes to assist migrant workers and to assist the self-employed and other groups

who at the moment are either not covered or inadequately covered. An examination should also be made of the possibility of establishing on a Community basis some kind of dynamisation of social security, using an index linking system. All these questions will have to be examined with the representatives of the national governments over the next year or so.

In the field of wages and working conditions, certain guidelines should, in the interests of social progress and the equalization of competitive conditions, be established as basic objectives throughout the Community, and should be achieved as quickly as possible, although they undeniably entail political problems. One of the main objectives should be the progressive implementation of equal pay for equal work between men and women (based on objective and fair job classification) and the fixing of some kind of basic minimum standard on wages, holidays and hours of work. In order to promote wage equality for men and women, the Commission is setting up a committee representing the interests of women and the national governments in each of the nine countries. The problem of underprivileged groups - including handicapped workers and migrant workers - arises in the context of social security in addition to that of working conditions. The Commission is setting up a committee to oversee a programme of priorities with the aim of integrating migrant workers into the communities in which they work (reception centres, education, housing and other social services); this programme should lead on to some kind of integrated Community policy on immigration.

The problem of migrant workers is closely linked with another problem, namely job enrichment in sectors (particularly, although not exclusively, motor car assembly) in which the dull and repetitive nature of the work is liable to create a kind of ghetto area of industry, reserved for migrant workers and therefore vulnerable if, for any reason, the flow of migrant workers into the Community should stop or slow down. This problem will

not be solved quickly, but will require a continuous programme of research, study, and experimentation, in which the Commission intends to play a considerable part. It will organize a major symposium on this matter next year.

Equally important are the problems of health and safety in the industrial working environment. The achievements in this sphere at Community level in the coal and steel industries should be extended to all industries in the Community. In the field of pollution control a programme of activity is being conducted in the context of both social and environmental policy with the aim of reducing specific health hazards: to improve resistance against radiation, against the harmful effects of noise, against the main air and water pollutants and so on (see IRT No. 185). In the general environmental field, the Foundation for the Improvement of Living and Working Conditions, which the Commission intends to set up, would play an important role. It would be an independent foundation dealing with long-term problems affecting the living and working environment of Europe over the next few decades: problems of job enrichment, environmental control, the long-term future of cities, urban transport and so on.

The question of housing is another problem which cannot be ignored. The Commission intends to apply some of the experience gained in this field in the Coal and Steel Community (aid for the development of public sector housing for workers in these industries): it intends on the one hand to support pilot projects for underprivileged groups, such as the elderly, the handicapped, and migrant workers, and on the other hand to see what can be done by pooling the experience of the different Member States to control costs and improve the efficiency of the construction of public sector housing. A Community programme for social housing will eventually be prepared.

### 3. Participation

A greater participation at all levels of decision making must be a basic principle in the creation of a European social community, both at the level of the Community institutions and, more fundamentally, within the structure of European industry. At the level of the enterprise, it is quite clear that participation is necessary, not only for social reasons, not only in order to improve the quality of working life but also simply to enable the enterprise to work effectively, to operate as a team, to be able to cope with the challenges caused by competitive pressures and technological and social change.

Participation can mean a number of things. It can mean, for example, the establishment of effective works councils or it can mean the participation of representatives of the trade unions and of the workers on the boards of companies; as will already be known, the European Commission has proposed a directive on the reform of company law which provides for such participation (see IRT No 161).

Since then the question of worker participation, which was brought in by that proposed directive, has acquired a dynamic of its own, in particular because of the more difficult labour relations facing European industry and the growing need felt on both sides of industry for effective and meaningful participation. The time that it will take for the Commission proposal to be adopted, three years or more, will have to be used profitably to resolve the problems that participation poses to management and trade unions alike and to ensure that it will take as practical and as useful a form as possible.

There are other aspects of industrial relations with which the European Commission is also concerned. It has proposed a directive on collective dismissals which is aimed at guaranteeing the worker his rights and

security of employment (see IRT No. 162). In addition, it is preparing a proposal for a directive to protect the workers in cases of international mergers. It has also the intention to collate and examine the various ways of encouraging workers to establish property rights that are either in operation or planned by the Member States, with a view to seeing whether there is need for any proposal for Community action in the field of worker profit-sharing schemes.

As regards the establishment of collective bargaining, although the European Commission sees some merits in the adoption of this kind of bargaining, it does not believe that it is any part of its business to interfere in the collective bargaining discussions unless asked by the parties concerned to do so. At the request of the Council of Ministers, the Commission has gathered information on all the collective bargaining agreements reached in a number of specific branches of industry, and it also has the services available to help in collective bargaining negotiations and, when asked by both parties to do so, has organized in quite a number of industries mixed committees of employers and trade unions at a European level dealing with problems of labour relations.

Let us conclude by mentioning another proposal within our SAP which provides for the creation of an independent, but Community-financed, European trade union institute which is intended to help the unions play within the Community the important part which will be theirs to play in the future.

The Community's SAP will call for the widest possible consultation and participation not only of governments, the European Parliament, the Economic and Social Committee and the ECSC Consultative Committee, etc., but also of the representatives of the employers' and trade union organizations. This programme contains no single panacea for all of Europe's social problems. It does not set out to provide Utopia but it certainly represents a major step toward a more civilized, a more just and a more efficient society, and this is what is the priority objective of the Community today.