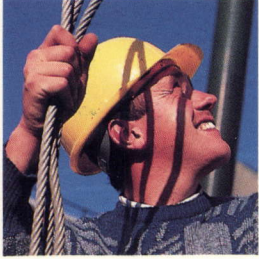


# THE SOCIAL CHALLENGE



Europe  
on the move



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The European Community seeks to achieve four fundamental freedoms: the freedom of movement of goods, services, capital and persons. The fourth of these freedoms gives Community citizens the right to live and work in the country of their choice. The completion of the Community's frontier-free market by 1993 requires the adoption of hundreds of directives covering all four freedoms. Much public and media attention has been focused on the economic aspects of European integration, but the single market also has an important social dimension.

This is why the European Council (i.e. EC Heads of State or Government) stressed at its session in December 1990 its commitment to give equal weight to the social and economic aspects. The text published at the end of their meeting stated: 'The establishment of the single market must result in a genuine improvement in employment and in the living and working conditions of all Community citizens'.

*'Let me solemnly declare that the only fight that matters is the fight for pluralist democracy and social progress.'*

Jacques Delors,  
President of the  
European Commission

The need to ensure that economic growth and improved social conditions go hand in hand was set out in the 1987 Single European Act the aim of which was to accelerate the adoption of legislation to create the frontier-free market.

To pave the way for the new social legislation foreseen in the single market programme, the European Council (minus the United Kingdom) adopted in December 1989 a **Community Charter of the Fundamental Social**

*Equal work, equal pay. This principle is incorporated in the Treaty of Rome (Article 119 of the EEC Treaty), but there is still a long way to go before full implementation.*

## THE EUROPEAN SOCIAL FUND

The Community did not wait for the Single European Act in order to create a social policy. This was enshrined in the Community's founding Treaty of Rome under which a European Social Fund (ESF) was set up in 1960 to improve the employment opportunities of workers and to help raise their living standards.

The annual budget of the Social Fund is now ECU 4 billion, benefiting about 2.8 million people a year. But this is only part of what the Community spends on social, regional and rural development. Taken together, the Community's so-called structural Funds (the ESF, the European Regional Development Fund and part of the Agricultural Fund), will spend ECU 13 billion in 1991, or nearly 25% of the total EC budget.

Since 1989, the Community has forged the structural Funds into a single instrument of economic and social cohesion. The main priorities of the Funds are:

- (i) to promote the development and structural adjustment of less-advanced areas;
- (ii) to convert regions seriously affected by industrial decline;
- (iii) to combat long-term unemployment;



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**Rights of Workers.** Since then a number of directives dealing essentially with health and safety in the workplace have been adopted by the Council of Ministers.

*'1992 is no miracle cure, there are no easy solutions or free lunches for working people. Increased economic activity must be supplemented and humanized by cooperation between countries, regions, employers and trade unions. But 1992, if it is properly managed, is full of hope, full of potential for all the working people of Europe.'*

Vasso Papandreou,  
Member of the  
European Commission

### Unemployment in the EC

Annual average (%)

	Total	Under 25
1987	10.3	21.0
1988	9.7	19.6
1989	8.9	17.3
1990	8.3	16.0

Source: Eurostat.

(iv) to promote the integration of young people into the workforce;  
(v) to support the development of rural areas.

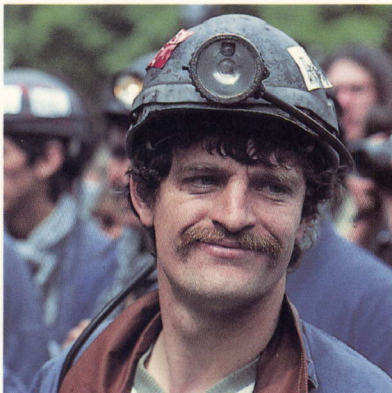
With nearly seven million long-term unemployed and with many young people lacking the skills required by the labour market, the Social Fund has concentrated on retraining schemes for the long-term unemployed (including support for those who want to become self-employed) and special programmes to help the under-25s get work. Other beneficiaries of the Fund include workers threatened with unemployment, women, migrants and workers in small and medium-sized enterprises.

In 1990, the European Commission launched three major new initiatives under the ESF. These programmes are:

**Euroform** which aims to develop new qualifications, new skills and new job opportunities for the unemployed;

**NOW** whose purpose is to promote equal chances for women as regards access to jobs and to professional training;

**Horizon** which will promote the employment of handicapped persons and certain other less-favoured groups of workers. In 1990, the Council adopted a resolution for the integration of handicapped young people in normal education programmes.



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## THE SOCIAL CHARTER

The Charter of the Fundamental Social Rights of Workers, adopted in December 1989, sets out 12 basic principles:

1. The right to work in the EC country of one's choice.
2. The right to a fair wage.
3. The right to improved living and working conditions.
4. The right to social protection under prevailing national systems.
5. The right to freedom of association and collective bargaining.
6. The right to vocational training.
7. The right of men and women to equal treatment.
8. The right of workers to information, consultation and participation.
9. The right to health protection and safety at work.
10. The protection of children and adolescents.
11. The guarantee of minimum living standards for the elderly.
12. Improved social and professional integration for the disabled.

## PROTECTION FOR WORKERS

Each Member State has developed its own system of social security and labour market legislation. Much of this diversity will remain. Harmonization of social legislation is difficult in a Community where living standards in the poorest Member State are only one-third of those in the richest EC country. However, fundamental rights have to be respected. Already an EC citizen has the right to work in another Community country under the same conditions and for the same salary and social protection as workers of that country. Additional progress has been made in terms of enabling workers moving from one country to another to transfer social security and pension rights, etc.

Health and safety in the workplace is one area where the social dimension of the post-1992 single market has made most progress. The Council of

*'Higher standards, whether they have to do with training, health and safety, working conditions or workers' rights, pay off. It is not only a question of solidarity and of social justice. It is also a question of common sense from an economic point of view.'*

Vasso Papandreou,  
Member of the  
European Commission

*Staff meeting in a big company. The Community guarantees the right of association and the rights of trade unions.*

He and thousands of colleagues worked on this major project. The European Social Charter lays down a reasonable level of social security and social benefits.

*'It is the fundamental principle of economic and social cohesion which justifies solidarity and support from the Community, and this must come into play wherever there is a desire to overcome a structural handicap, and wherever local development aspirations militate against inequality of opportunity.'*

Jacques Delors,  
President of the  
European Commission



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Ministers adopted a general Directive in 1989 laying down the general requirements for health and safety at work which Member States must implement by the end of 1992.

Since then, the Council has adopted five other specific Directives. These cover:

- (a) measures to improve safety at work;
- (b) the use of work equipment;
- (c) the use of personal protective equipment;
- (d) the manual handling of loads;
- (e) rules for working with visual-display units (VDUs);
- (f) the protection of workers from exposure to biological agents and carcinogens.

## EQUALITY BETWEEN MEN AND WOMEN

Equal pay for men and women is a fundamental principle of the Treaty of Rome. Its validity has been upheld on numerous occasions in cases brought before the European Court of Justice. A 1976 Directive laid down the additional principle of equal treatment for both sexes in terms of access to employment, vocational training and working conditions.

The focus of certain Community programmes is on ensuring the equality of chances between women and men. The NOW programme comes under this heading.

In addition, the Commission has put forward draft Directives setting minimum requirements for parental leave and for protecting the health and safety of pregnant women at work.

### Job growth

Total employment (1 000)

	EC	USA	Japan
1987	128 150	114 177	59 110
1988	130 454	116 677	60 110
1989	132 623	119 030	61 280

Source: Eurostat.

## WORKER CONSULTATION AND PARTICIPATION

The right of workers to be informed in advance by their employers of decisions affecting their professional future has stirred a long-running controversy. A draft Directive (the so-called fifth company law Directive) calling for worker participation in the board structures of all limited companies over a certain size has been before the Council of Ministers since 1972. Its future remains unclear.

A second framework for worker consultation and participation is given by the proposed European Company Statute. This allows companies established in more than one Member State to opt, if they wish, for the Status of a 'European Company'. A company which decided to adopt the Statute could choose the model of consultation most suited to its situation.

In December 1990, the Commission submitted to the Council a draft Directive for the creation of works councils at European level for informing and consulting employees of transnational EC companies. A company established in more than one Member State and with

Comparison of working time — 1990

Country	Hours worked per week	Annual leave	Public holidays
Belgium	38	25	11
Germany	38.4	30	10
Denmark	38	26	8
France	39	25	9
Greece	40	22	9
United Kingdom	39	27	8
Ireland	40	24	8
Italy	40	31	9
Luxembourg	40	27	10
Netherlands	40	36.5	6
Portugal	45	22	14
Spain	40	25	14
USA	40	12	10
Japan	42	11	14

more than a certain minimum number of employees would have to allow the creation, if the workers so requested, of a European works council.

The Community maintains a social dialogue between employers and workers organizations. Its focus in the context of the single market is on education and training on the one hand and labour market conditions on the other.



Mario Ramos

## FUTURE ACTION

What of the future? The Community has made slower progress on the social aspects of the single market than in economic areas. This is partly because the Single European Act introduced majority voting for most harmonization Directives but left the principle of unanimity unchanged for social legislation.

Proposals to bring in majority voting for more social legislation are part of the negotiations on European political union. Majority voting would become the rule, rather than the exception, for social legislation. It would cover worker participation and consultation, training and professional qualifications.

However, unanimity would still be required for any legislation affecting the harmonization of national social security systems, basic rights of workers to join unions or to strike and any extension of the rights of migrant workers from outside the EC.

As an alternative to social legislation at Community level, Member States



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### Single market and Social Charter on track

Around half of EC citizens (51%) believed '1992' would be a good thing for them personally, compared to only 7% who thought it would be a bad thing and 31% who felt it would make no difference. — The Social Charter received support from a majority of people in all countries of the Community, including more than seven out of 10 people in Italy (76%), the Netherlands (75%), Greece (72%), Ireland and the United Kingdom (both 71%). It also received the strong endorsement of trade unionists, 76% of whom were in favour of it, with only 5% against.

Source: Eurobarometer No 34, autumn 1990.

would be free to meet the same goals via negotiated agreements between employers and unions at Community or national level. This could appeal to Member States like the United Kingdom and Denmark where collective bargaining rather than binding legislation is the main instrument of social policy.


*Jobs evolve with new technology. Workers must be prepared to learn new tasks.*

*'The Community we are building together is not just a market mechanism, or an abstract economic process. Before anything else it is a community of citizens, whose individual value will constitute the value of the whole.'*

*Vasso Papandreou,  
Member of the  
European Commission*



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This booklet is part of the *European File* series and appears in all the official Community languages — Danish, Dutch, English, French, German, Greek, Italian, Portugues and Spanish.

**Commission of the European Communities**

Directorate-General for Audiovisual, Information, Communication and Culture  
Editor: Publications Unit, rue de la Loi 200, B-1049 Brussels

Manuscript completed in May 1991  
Cover photo: Mauritius Super Stock  
Dessin: Mario Ramos

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*Printed in Germany*

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Office for Official Publications  
of the European Communities  
L-2985 Luxembourg

ISSN 0379-3133

Catalogue number: CC-60-91-741-EN-C