



EUROPEAN COMMUNITIES

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TRADE UNION INFORMATION BULLETIN

1992 : The social dimension
Structural funds
Collective bargaining
Privatisation

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Trade Union Information

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1992: The Social Dimension.

The completion of the internal market, which is merely translating the tasks set out in the Treaty of Rome into concrete practice, is not only a matter of eliminating physical, technical and fiscal barriers in order to create a large liberal market; it is also, and indeed primarily, one of the means of returning to job-creating growth and to the road to economic and social progress bringing full employment and well-being for 120 million workers.

The above statement is taken from the resolution "Creating the European social dimension in the internal market" which was adopted by the Executive Committee of the European Trade Union Confederation in February 1988. The resolution went on to call for a package of measures which would create the necessary social framework to accompany the economic changes which will take place on a sectoral, regional, national and European level.

With the publication of the Cecchini Report on the benefits of the internal market in April the need for such a social dimension was further emphasised. Whilst the Report forecast medium and long-term employment growth of between 2 and 5 million additional jobs, it acknowledged that there would probably be a "J" curve in employment with an initial loss of some 225,000 jobs. Therefore it is necessary to protect European workers from the effects of this transitional stage and to ensure that the hard-won rights of working people are not lost in the drive towards deregulation.

The European Commission were quick to recognise the need for a social dimension to the drive towards the completion of the internal market. Commission President, Jacques Delors, has frequently over the last few months emphasised his support for a package of measures which would create a common European base of workers rights. Equally most Member States recognise that the provision of such a base is the only way to guarantee the effective support of workers and their trade unions for the 1992 programme. Preliminary discussions took place at the Hanover summit in June, and in mid September the Commission launched its proposals for a basic package of rights that would form the basis of the social dimension.

Social Affairs commissioner Manuel Marin has had prime responsibility for putting together the package which includes proposals on health and safety, employee participation, training, job mobility and certain guaranteed employment rights. The health and safety proposals will attempt to ensure that standards are not eroded within the free internal market following 1992. On training the proposals will seek to establish the right of all workers within the Community to lifelong training. Greater mobility will be encouraged by changes in the rules regarding frontier taxation and transferable unemployment payments.

The most far-reaching changes are being proposed in the sphere of employee participation. The Commission is suggesting a new European company statute which will allow companies to merge without adopting the corporate laws of any particular country. Thus they will have a European rather than a national status. Such companies would be required to choose from a range of options for employee participation. Such a proposal would thus avoid the situation where a company could escape national laws on employee involvement by adopting a European status.

The Commission has asked Member States to react by the end of the year to the proposals. It is also proposed that the social partners should be fully involved in the preparation of legislation through the Val Duchesse social dialogue. Obviously further discussion and debate on the Commission proposals will take place over the coming months and the Bulletin will return to this subject and examine the proposals in greater depth in the issue.

PRESIDENT DELORS ADDRESSES BRITISH TUC CONGRESS

In an unprecedented platform appearance at the Annual Congress of the British TUC, 5-9 September 1988, President Jacques Delors, President of the Commission of the European Communities, called for the trades union movement to join him in becoming architects of the New Europe. The President's keynote address which was greeted with a standing ovation from Congress delegates was a highlight of the Congress. After outlining Commission proposals for what is now known as the "Social Dimension" to the Internal Market, the President stressed that the Internal Market should be designed to benefit each and every citizen of the Community. It is therefore necessary, he said to improve workers' living conditions, and to provide better protection for their health and safety at work.

President Delors said that the challenge of 1992 was now being taken up by trade unions across Europe and the European Commission would respond. Outlining the economic and technological challenges facing Europe, he said that European countries had rejected a response that involved drastic reductions in wages and levels of social protection, although in practice at the cost of massive unemployment. "Unemployment is our major challenge", he declared, "and it is essential that we strengthen control of our economic and social development. We must pool our resources and in keeping with this spirit, there must be full and broad consultation with those involved in the production of wealth."

President Delors stressed that the creation of a common market by 1992 necessitated a concrete and productive social dialogue at the European level. The European Community will be characterised by co-operation as well as competition. It will encourage individual initiative as well as solidarity. President Delors outlined measures already agreed which will increase the solidarity of the Community, including increased resources available to the structural funds, eg., Social Fund for training purposes.

The most important part of President Delors' speech was reserved for comment on the social dimension of the internal market. It would be unacceptable for Europe to become a source of social regression, while we are trying to rediscover together the road to prosperity and employment, he claimed. He told delegates that the European Commission had suggested three major principles on which to base the interpretation of acceptable progress towards the internal market. First, measures adopted to complete the internal market should not diminish the level of social protection already achieved in Member States. Second, the internal market should be designed to benefit every citizen in the Community. Third, the measures taken will concern the area of collective bargaining and legislation.

President Delors reiterated the three proposals he made to the ETUC Congress in Stockholm. These were :

1. The establishment of a platform of guaranteed social rights.
2. The creation of a statute for European companies, which would include the participation of workers or their representatives.
3. The extension to all workers of the right to life-long education.

President Delors concluded by saying that Europe is reaffirming itself by managing its diversity. Thanks to co-operation and solidarity between Europeans, he said, we will succeed in preserving our identity and our culture. Through the richness of our diversity and our talents, we will increase our capacity for decision and action.

The invitation to the President by the TUC and the enthusiastic reception of his address are clear manifestations of a more positive reorientation of the British trade union movement towards the European Community.

Television and vocational training

Technology is undoubtedly having a profound effect on our lives. Advances over the last ten or fifteen years in computers and all forms of telecommunications have taken us to the threshold of a new technological age. Few aspects of our lives have been left untouched by such changes. Whilst television has formed perhaps the most important part of that aspect of our lives we call "entertainment" for the last thirty or so years; television itself is undergoing massive changes with the introduction of cable and satellite transmissions. Whereas in the past European television viewers have been faced with the choice of a small number of programmes, they are about to be bombarded with almost a limitless number of choices of viewing. Such a development involves dangers as well as the possibility of immense opportunities. It is with this challenge in mind that the Council of Europe, the European Parliament, the European Community Council of Ministers and the European Commission declared 1988 to be European Film and Television Year.

At the same time that Europe stands on the verge of a new technological age, European workers are smitten with the problems of unemployment. The number of unemployed workers has increased fourfold in Europe in the last ten years. Of the 16 million unemployed within the European Community at the moment more than half have already been without work for a year or more. The question was recently posed by a seminar held as part of the European Film and Television Year programme - what can radio and television offer to help counteract the personal, social and economic desolation brought about by long term unemployment?

The seminar was organised by CEDEFOP - the European Centre for the Development of Vocational Training - and a number of other organisations, and it attempted to analyse the potential contribution radio and television can make in the provision of vocational training for unemployed workers. A brief report of the seminar is available from CEDEFOP (CEDEFOP Flash 3/88), and whilst no specific recommendations are listed it does examine the background to the use of television within an educational context and discuss some of the problems facing the programme-makers.

Perhaps the key problem involved in using public television as an instrument of vocational training is brought about by the need for television programmes to justify themselves in terms of "ratings", that is to attempt to attract the largest audience possible. Thus whilst initially a programme may be targeted at a quite specific group - say adult long-term unemployed - pressures will exist to make the programme as attractive as possible to the widest audience and this could diminish the efficiency of the programme as a training medium. This was one of the problems discussed by the representatives of public and private radio and television stations from eleven European countries who attended the seminar.

Trade unionists from throughout the European Community are anxiously awaiting the plans of the European Commission to provide a social dimension to the process of completing the internal market. European Commission President, Jacques Delors, has already indicated that the availability of training for all workers must form a part of the plans for a social European area. The CEDEFOP seminar shows that radio and television can play an important part in the expansion of vocational training which must take place if the European economy is going to be capable of taking full advantage of the opportunities provided by the single market following 1992.

NEWS FROM EUROPE

VIEWS ON EUROPEAN UNION

Following the timetable being set for the inevitable movement towards economic union within the European Community (the 1992 Single Market deadline), the attention of European leaders is turning to the question of political union. The European Parliament has already discussed the means by which the citizens of Europe should be able to voice their opinion concerning the future of political union and during the summer the results of a new major opinion survey were published.

The findings of the opinion survey have been published by the Commission in the "Euro-Barometre" series (Euro-Barometre No. 2, June 1988). The survey was conducted amongst 11,700 persons from within the twelve Member States of the Community.

The first question asked whether people were for or against the European Parliament having powers to pass laws that would apply directly in all Member States. Amongst the respondents who expressed an opinion almost two-thirds were in favour. The only two countries where this view did not command a majority were the United Kingdom and Denmark. Similar responses were obtained to the question of whether there should be a European Government formed which was responsible to the European Parliament. Asked what areas such a Government should be responsible for the following results were obtained:-

Policy areas:	% in favour (EC12)
Environmental Protection	31%
Scientific and technological research	28%
Security & Defence	25%
Co-operation with developing countries	23%
Relations with non-EC countries	22%
The currency	21%

A further question included in the survey outlined what could be a plausible situation, taking into account the responses to earlier questions. The question asked respondents to imagine that a majority of the twelve Member States agreed to the formation of a European Union but two or three countries disagreed. The question was then posed - do you think that the countries who agree should create this European Union among themselves, or do you think they should abandon the project?

The responses were as follows:-

Country:	Create a European Union.	Abandon the Project	Don't Know.
Belgium	56%	14%	30%
Denmark	19%	64%	17%
FR Germany	45%	32%	23%
Greece	50%	26%	24%
Spain	57%	14%	29%
France	65%	23%	12%
Ireland	41%	29%	30%
Italy	77%	13%	10%
Luxembourg	50%	23%	27%
Netherlands	54%	31%	15%
Portugal	46%	12%	42%
U.K.	36%	45%	19%
EC (12)	54%	27%	19%

Respondents were also asked whether they thought that the European Parliament to be elected in 1989 should be given the task of preparing a draft constitution for a European Union. There was an absolute majority in favour of this course of action in seven Member States, relative majorities in Greece, Ireland, Portugal and the United Kingdom, and a relative majority against only in Denmark. A high degree of unanimity was achieved in responses to the final question which asked whether the citizens of Europe should be called upon to vote by referendum for or against European Union. An absolute majority of those questioned were in favour of such a move in all 12 Member States.

The clearest sign to come from the survey is that the citizens of Europe expect to be consulted on the question of European Union and that they expect the European Parliament to play an important role in such a process.

THE REFORM OF THE EUROPEAN STRUCTURAL FUNDS

In late July the European Commission adopted four new implementing regulations aimed at bringing about the reform of the structural funds. The new regulations establish the areas of activity of the three funds and the necessary co-ordination between them and the European Investment Bank.

Over the years the three structural funds - the European Social Fund, the European Regional Development Fund and the Guidance Section of the European Agricultural Guidance and Guarantee Fund - have become important economic, industrial and social policy tools. However by the mid-eighties the funds were beset by two major problems:

- (i) All three funds were suffering from a lack of resources. The problems of unemployment, regional disparities and sectoral industrial and agricultural decline were accelerating and the resources available to the structural funds were not keeping pace. The expansion of the Community to include, first of all Greece, and later Spain and Portugal meant that all three funds were coming under increasing financial strain.
- (ii) The regulations regarding assistance from the funds have become more and more complex. In order to make best use of the limited funds available each of the funds has attempted to establish priority objectives and often these changed over a relatively short period of time. Co-ordination between the funds was difficult because of the multiplicity of rules which had been established.

By the beginning of 1988 the European Commission had begun to tackle these two problems. As far as the resources of the funds were concerned the major breakthrough came in February when the Brussels summit agreed to a doubling of the structural funds by 1993. A new set of co-ordinated objectives for all three funds was put forward in a Commission Communication to the Council of Ministers in 1987. The five main objectives were as follows:-

- OBJECTIVE 1 : Structural development and adjustment of the lagging regions.
- OBJECTIVE 2 : Reconversion of regions, including employment areas and urban communities seriously affected by industrial decline.
- OBJECTIVE 3 : The fight against long-term unemployment.
- OBJECTIVE 4 : The professional integration of young people.
- OBJECTIVE 5a : The adjustment of agricultural structures.
- OBJECTIVE 5b : The development of rural areas.

The new implementing regulations adopted by the Commission indicate how the three funds will fit into the above overall objectives. The Regional Development Fund will intervene under objectives 1, 2 and 5b. The fund will co-finance productive investments, investments in infrastructures and actions aimed at developing the indigenous potential of the regions. The fund will continue to encourage trans-border co-operation and the exchange of experiences between Member States.

The Social Fund will intervene under objectives 3 and 4 and in interaction with other funds under the terms of objectives 1, 2 and 5b, in order to promote stability of employment and develop new job possibilities for the unemployed and those threatened with unemployment. The Agricultural Guidance Fund will act under objectives 1, 5a and 5b. Objective 5a is closely related to the reform of the Common Agricultural Policy.

..... continued on page 11

Collective Bargaining in the European Community

The European Trade Union Institute has just published its ninth annual review of European collective bargaining. As with previous editions, the review examines the most important developments in collective bargaining in nineteen western European countries, including the 12 Member States of the European Community, the Nordic countries, Austria, Switzerland and Cyprus. The report contains four chapters. The first describes the economic, political and social background to collective bargaining in 1987. Chapter two looks at key developments in the field of wages, purchasing power and payment systems. Chapter three concentrates on developments with regard to working time and the final chapter contains an outline of collective bargaining prospects for 1988.

The table below is adapted from the chapter on wages, purchasing power and payment systems and looks at the wage bargaining trends in the 12 Community Member States. The full report - "Collective Bargaining in Western Europe in 1987 and Prospects for 1988" can be obtained from the European Trade Union Institute, Boulevard De L'Imperatrice 66 (Bte 4), 1000 Bruxelles. The price is BF 700 although trade unionists can obtain the report at a reduced price of BF 300.

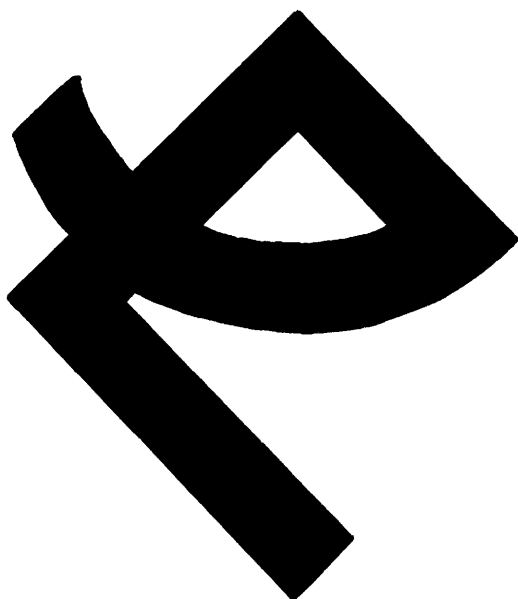
WAGE BARGAINING TRENDS IN THE EUROPEAN COMMUNITY 1987

COUNTRY	LEVEL OF NEGOTIATIONS IN 1987 (a)	AVERAGE 1987 INFLATION RATE	AVERAGE NOMINAL PAY INCREASE	PURCHASING POWER (b)	COST-OF-LIVING INDEXATION OF WAGES & SALARIES (c)
BELGIUM	Biennial sectoral agreements for 1987-88	1.5	Average wage increases: 1.5% not including wage drift and index, Hourly rates manufacturing: 1.8%.	Purchasing power on average was safeguarded.	Automatic wage index, restored after partial cuts in 1984-86.
DENMARK	Sector agreements for 1987-90 with mid-term pay renegotiation.	4.0	Average hourly wages for manual workers: 9.25%. Public sector employees: 8% over 2 years.	Purchasing power maintained or improved (for lower paid workers in particular.	No pay indexation.
SPAIN	Yearly sectoral and company negotiations.	5.3	For UGT: 6.81% av. wage rises (5.64% for public sect) For ELA-STV: 8.13% private sector and 6.5% in pub. sect.	For UGT: av. purchasing power rose by 1.5%. For ELA-STV: purch. power increased in private sector.	Pay revision clauses.
FRANCE	Sectoral and plant-level agreements (1 year)	3.3	Hourly rates in manufacturing - 3.2% with strong sectoral variations.	Purchasing power maintained or slightly reduced.	Only the SMIC is indexed.

U.K.	Sectoral (industry), company and plant-level negotiations (normally 1 year)	4.1	Basic pay rates increased between 5 and 7%, average earnings 7.5%	Pre-tax real earnings rose by 3% with lower paid workers barely keeping pace with inflation.	No wage indexation.
GREECE	Bargaining outcome for 1987 determined by compulsory arbitration	16.1	Pay increases due to wage indexation - 4.1% as of Jan 1st, 1% as of May and 4.5% as of Sept.	Workers suffered considerable losses in purchasing power.	Wage indexation.
IRELAND	Sectoral and plant-level settlements (1 year)	3.1	Average earnings rise by 5.7 - 6%	Purchasing power safeguarded or slightly improved.	No wage indexation.
ITALY	Sectoral agreements for 3 years. (1987-1989).	4.6	Basic negotiated wages: 7.5-8%	3% rise in real wages.	Wage indexation.
LUXEMBOURG	Sectoral agreements (1-2 years)	1.0	Average earnings-4%	3% rise in real wages.	Wage indexation.
NETHERLANDS	Sectoral and company-level agreements (1-2 years)	-0.4	Basic rates - 1% in private sector, 0.5% in public sector; average earnings 2-2.5% (priv. sector) & 1.5% in pub. sect.	Purchasing power increases- 1.5% in private sector and 1% in public sector.	Indexation clauses almost disappeared.
PORTUGAL	Central framework agreement.	9.8	Av. wage increases: 12.5%	3% increase in real wages.	Pay review clauses.
F.R. GERMANY	Sectoral agreements for 1 or 2 years.	0.3	Average wage rises of 5.3% in 1987 agreements. Average wage rises for all workers: 3.4%.	Net income rise: 2%, Purchasing power: +1.5%	No indexation.

NOTES:

- (a) Negotiation level prevailing in the year.
- (b) The purchasing power figures are those given by the national unions. A clear distinction between real gross and real net wages is not always possible. Where possible figures refer to after-tax earnings.
- (c) All kinds of wage indexation are taken into account. Where a generalised system of minimum statutory wages exists, it is mentioned. Countries such as Belgium, the Netherlands, Luxembourg, the United Kingdom, Ireland, Italy and the Federal Republic of Germany have minimum statutory wage systems applying only to a minority of the workforce (generally to those workers not covered by collective agreements).



ETUI RESEARCH REPORTS

-PRIVATISATION -PENSIONERS

Two new Research Reports dealing with issues of vital importance to European trade unionists have been published over recent months. Whilst the two issues - the role of pensioners in Western Europe and privatisation - are unrelated they both constitute challenges facing organised workers in the Community. Below we briefly summarise some of the main points raised in these two reports, both of which are available from the European Trade Union Institute (ETUI), Boulevard de l'Imperatrice 66 (Bte 4) 1000 Brussels.

PRIVATISATION IN WESTERN EUROPE ETUI RESEARCH REPORT No. 33 : APRIL 1988

Over a quarter of all workers in the European Community are employed in the public sector: that is they are employed by central, regional or local government agencies or in public enterprises. Until the mid 1980s the proportion of public sector workers had been increasing. However over recent years a number of governments have been attempting, on varying grounds and with varying goals, to limit the extent of the public sector. One means to this end is to return to private ownership areas of the economy which had previously been within the public sector - the process of privatisation. These trends represent a considerable challenge to the trade union movement as basic rights, terms and conditions and security of employment come under threat. The whole process of privatisation is ideally suited to a European analysis - an exchange of experiences and policies amongst the European trade union movement. Such an analysis is provided by this new ETUI Research Report which, for the first time, undertakes a systematic study of the issue of privatisation, with particular reference to its effects.

The Report is divided into six chapters, the first of which sets out the general frame of reference and examines the importance of the public sector for employment. Chapter two provides a detailed analysis of the structure of public sector employment in Western Europe both in general European terms and also from a national point of view. Chapter three examines both the theory and practice of privatisation and is perhaps the most useful part of the entire Report, analysing as it does the effects of privatisation on consumers, the State and the workers involved in privatised undertakings. Chapter four looks at the experience of privatisation in western Europe and provides valuable information for trade unionists who are having to react to privatisation proposals. The following chapter provides a detailed discussion of trade union attitudes to privatisation quoting both the policies and experiences of individual trade unions and the policy statements of the European Trade Union Confederation (ETUC). The final chapter provides both a useful summary and the main conclusions of the Report.

PENSIONERS IN WESTERN EUROPE - DEVELOPMENTS AND TRADE UNION POSITIONS
ETUI RESEARCH REPORT No. 32 : April 1988

The political issues at stake with regards to pensioners have taken on heightened importance due to the constant growth in the size of this population group. At the same time certain governments and political pressure groups believe that the time has come to attack the rights already secured by pensioners in the social sphere. Against such a background, the European trade union movement has decided to make its own response, on the basis of the available facts, and to assume its responsibilities towards this group of former workers.

In an attempt to foster better understanding of the efforts and initiatives deployed by trade union organisations on behalf of this section of the population the European Trade Union Institute has published a major report on pensioners in western Europe. The Report examines the demographic trends which are leading to an ever-increasing number of elderly within society. One set of statistics quoted in the Report suggest that the ratio of elderly (60 and over) to working age population (20 to 59) will increase in northern Europe between 1985 and 2025 by over 30% and in western Europe by almost 70%. Such a demographic trend will have obvious implications for the various national social security and welfare systems and some of these implications are examined in chapter two of the Report.

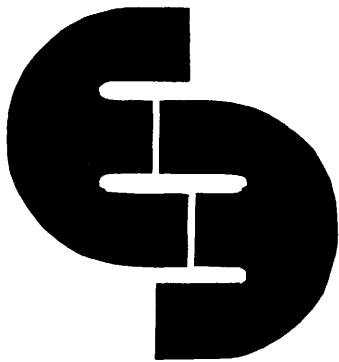
Increasingly, because of their numbers alone, pensioners are going to constitute a more powerful political group within western Europe and the European trade union movement is aware of the need for retired and non-retired workers to combine forces, on a basis of solidarity, to achieve common trade union objectives. A survey carried out as part of the background research for the Report found that 28 out of the 29 trade union confederations questioned already represented retired workers by one means or another. In some cases pensioners were grouped exclusively within a special federation or organisation of retired workers. In other cases pensioners retain membership of their original trade union. Chapter three of the Report examines in detail the situation in each of twenty western European countries.

The final chapters of the Report turn from trade union organisation to trade union policy. Chapter four looks at the priority demands of the national trade union confederations on behalf of their retired members whilst chapter five looks at the factors to be taken into consideration for formulating a European policy on retired workers.

Because of irreversible demographic trends we already know that the problems of an ageing population profile are going to be of paramount importance by the end of the century. It is therefore only right that the European trade union movement is already involved in the preparation of a European policy aimed at protecting and advancing the economic and social interests of retired workers.

REFORM OF THE STRUCTURAL FUNDS (Continued from page 7)

European Commissioner Varfis, speaking at a press conference to launch the new regulations, stressed that the Commission were anxious to keep to the timetable established for the entry into force of the new regulations. Although it would mean that only a limited time was available for consideration of the new proposals by the European Parliament and the Council of Ministers, it was hoped that they would enter into force on the 1st January 1989. In addition to the expansion and simplification of the structural funds it is hoped that reform will lead to a concentration of aid in a relatively low number of large projects rather than innumerable small interventions. Equally Commissioner Varfis stressed that the combination of loans and subsidies (as in the Integrated Mediterranean Projects) will represent an important principle of the future management of the funds.



ECONOMIC AND SOCIAL COMMITTEE REPORT

One area where European trade unionists can influence the policies and laws of the European Community is through their participation in the activities of the Economic and Social Consultative Committee. The Treaty of Rome stipulates that the Economic and Social Committee should be consulted for their views on new Community legislation. Individual members of the Committee formulate a draft Opinion (or statement) which is then discussed by the Committee as a whole. Opinions supported by a majority of the Committee must be taken into account when the proposals are considered by the Council of Ministers. The Committee is made up of representatives of employers, workers and other interests from the twelve Member States of the Community. Trade unionists account for about one third of the total membership of the Committee. Many of the issues they discuss are directly relevant to the interests of working people and the following short report looks at just a few of the Opinions adopted by the last two Plenary Sessions of the Committee.

OPINION ON THE PROTECTION OF WORKERS AGAINST CARCINOGENS : Adopted by the 256th P.S.

In an Opinion adopted by 94 votes to 8, the Economic and Social Committee welcomed the proposed creation of a legal instrument to combat the danger of industrial cancer. The Committee however felt that the proposed Directive (Sixth individual Directive within the meaning of Article 8 of Directive 80/1107/EEC) did not provide sufficient protection for the health of workers and they highlighted the following shortcomings:

- * There is no legally binding, comprehensive ranking for the preventive measures to be adopted, the preventive aims are in fact considerably watered down by exemptions.
- * No provision is made for banning exposure to carcinogenic substances or for mandatory substitution of safe or less dangerous substances; it would be technically preferable for prohibition to be included in this Directive, rather than the banning Directive.
- * No maximum limits for exposure to carcinogens are laid down, nor is there an injunction to reduce current levels by using state of the art technology; sharp disparities between the Member States are therefore inevitable on this central issue.
- * There are no arrangements for dealing with the increased risk created by multiple carcinogens, although they are typical of the working environment of a large number of workers.
- * There is no provision for a Community-wide standardised procedure for measuring and analysing the scale of exposure to carcinogens.
- * The proposal does not provide for mandatory measuring of carcinogenic levels; this is imperative, in the light of the threat to human life.
- * No provision is made for involving employers and workers in decision-making on measures to be adopted at plant or intercompany level; employers and workers should also be involved in the appropriate EC bodies in order to ensure a rapid classification of carcinogens based on the latest scientific findings.

- * The preventive requirements which the draft Directive imposes on Member States are fragmentary; this applies in particular to (a) official monitoring of observance of legislation on registering carcinogens and related illnesses, (b) arrangements for putting protective legislation into practice, e.g. by setting up measurement and analysis centres and providing information on health hazards, in particular in order to help small business.

SOCIAL ASPECTS OF SEA FISHING : Adopted by the 257th Plenary Session.

As well as issuing Opinions in response to proposals put forward by the European Commission, the Economic and Social Committee is able to issue Opinions on their own initiative on any subject related to the European Community. An example of an own-initiative Opinion is the one recently adopted on social aspects of the sea fishing industry. The Committee noted with regret that the measures adopted by the Community to cover the deficit in certain fish products sometimes give rise to real social problems amongst workers involved in the industry. The Opinion pointed out that in some cases heavy imports from third countries with lower operating costs than the Community are in direct competition with Community fisheries products and disrupt the market, threatening both employment and the very existence of the Community fleet by making it unprofitable.

The Opinion further pointed out that the conservation measures are clearly affecting fishermen's incomes and that there is no social policy covering the risks posed by such measures. Fishermen are thus being obliged to restrict their activities with a consequent loss of earning power. The Committee recommended the setting up of a European organisation to improve living and working conditions in the industry. They felt that the 1992 deadline for the completion of the internal market called for the creation of an adequate and harmonised social framework within which the fishing sector could adapt to changing circumstances.

The Opinion goes on to put forward specific proposals in the area of vocational training, employment, crew safety, retirement rights and holiday entitlements.

OPINION ON SOCIAL DEVELOPMENTS IN THE COMMUNITY : Adopted by 256th Plenary Session.

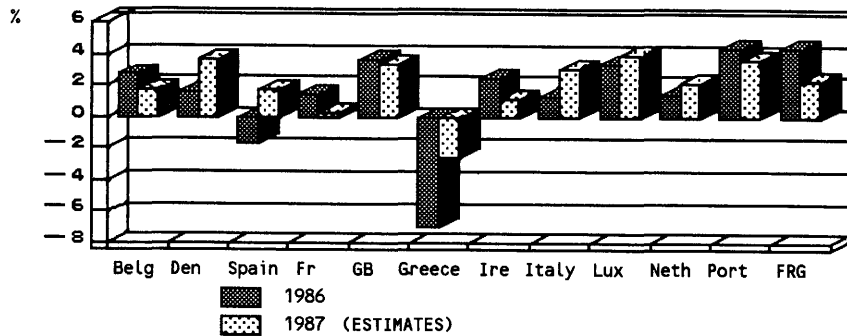
The Opinion highlighted the chronic nature of mass unemployment in the Community. Attention was drawn to the recent increase in adult and female unemployment, the widening of geographical disparities in unemployment levels and the increase in poverty. The Opinion comments that the main Community social policy initiatives introduced in 1987 were either non-binding or were hit by budget cuts.

Referring to the social dialogue, the Opinion emphasises that the support of Community institutions is required in order to define common minimum rights. The increase in the resources of the structural funds should help to tighten up social policy, it was felt, and likewise the proper application and extension of Community citizens' rights needs to be guaranteed. The Opinion was adopted by a large majority with only two votes against.

INDUSTRIAL AID FOR PORTUGAL : Adopted by the 256th Plenary Session.

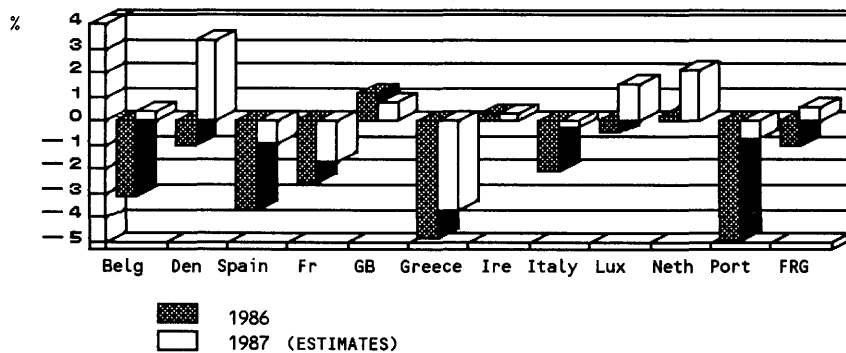
This Opinion comments on the proposal for a Council Regulation on financial support for Portugal for the establishment of a specific industrial development programme (PEDIP). The Opinion approved the four priority areas of the programme and emphasised the importance of developing technological innovation, telecommunications and industrial quality. The Opinion, which was adopted unanimously, called for a multi-annual programme for the additional budgetary resources and approved the simplification of the procedure for submitting applications and the speeding up of the Commission's decision-making processes.

REAL COMPENSATION OF EMPLOYEES PER HEAD
Deflated by private consumption prices, annual % growth



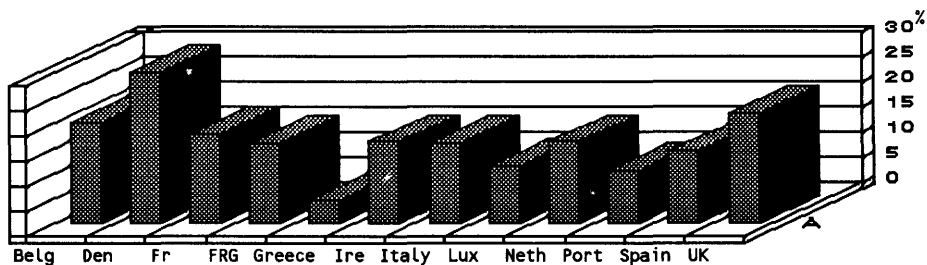
SOURCE : European Economy, Supplement A No. 2, February 1988

REAL LABOUR COSTS PER UNIT OF OUTPUT
Unit labour costs deflated by GDP deflator % change.



SOURCE: EUROPEAN ECONOMY, SUPPLEMENT A No. 10, October 1988

GENERAL GOVERNMENT EMPLOYMENT AS A PERCENTAGE OF TOTAL EMPLOYMENT - 1985



NOTES:

- a) The figure for Greece is for 1975.
- b) The figure for Portugal is for 1980.
- c) General government employment includes those employed in the various departments and agencies of central, regional and local government producing non-market goods and services. It does not include government owned firms and public corporations producing goods and services sold on the market.

SOURCE: OECD

ETUC CONGRESS

INTRODUCTION

The sixth statutory congress of the European Trade Union Confederation took place in Stockholm from May 9-13 1988, under the slogan, 'The Keys to Social Europe: Jobs, Social Justice, Solidarity'. More than 600 delegates representing trade union organisations in 21 European countries passed five main resolutions on:

- economic policy to promote full employment;
- investment in employment, training, and better living and working conditions
- justice and social security;
- promoting democracy within the economy and society by extending workers' rights; and
- Europe's development in the world.

The Congress also adopted a series of specific resolutions on boosting Europe's economy, strengthening the European trade union movement, European telecommunications policy, and the role of public services, as well as a topical resolution on 1992 and the Hannover summit. Ernst Breit, president of the West German trade union centre, the DGB, was re-elected as president of the ETUC and Mathias Hinterscheid was confirmed as ETUC general secretary, a position he has held since 1976.

In his address to the Congress the President of the EC Commission, Mr. Jacques Delors, began by reminding Congress of the commitment to preserve the essential character of European society via dialogue. The completion of the Internal Market by 1992 was a manifestation of this, not as a free trade area but as an area having common rules, commitment to economic and social cohesion, dynamism and solidarity, and common policies promoting the common interest. President Delors pointed out the need for workers to be involved in this important development, and cooperation was to be facilitated by accompanying Community measures including the development of backward regions, aid for those regions in decline, measures against long term unemployment and the development of rural society. The President stressed the need for cooperation with the trade unions and indicated the Commission's intention to present a social package in the context of the Internal Market as well as its safety and health at work proposals under Article 118a of the Single European Act. As far as the broad Social Dialogue was concerned, the President said that a re-evaluation of existing channels and organs of cooperation was necessary and that social dialogue should increasingly influence national level relations and negotiations.

In his opening address, ETUC President Ernst Breit focused on the Congress theme: The creation of the Internal Market in 1992. "This date is important for every union in the confederation", he said, "because the future shape of the Community will exert considerable influence on the economic and social conditions of all the countries of Europe. However, there can be no question of a European Community based on free trade and free economic relationships under conditions of social dumping. From now on, trade unions must involve themselves more intensively in developing a European policy; otherwise, we risk seeing a Europe of social decline."

Mr. Mathias Hinterscheid, ETUC General Secretary, underlined in his address the encouraging results of social dialogue, of the Single European Act commitment to economic and social cohesion and the doubling of Community Structural funds and the Social Fund by 1993. However, Mr. Hinterscheid was critical of the disparity between the economic and social aspects of completion of the Internal Market, where in particular the social dimension was still no further than the studies and analysis stage. Moreover, the approval of a number of directives in the social dimension and the envisaged increase in Community funds, did not in his view represent coherent social policy. Mr. Hinterscheid stressed the need for all parties to push for the integration of the social dimension in the realisation of the Internal Market, and expressed concern that concrete developments in this context should be determined under the present Commission, whose term of office ends in January 1989.

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