

**Bulletin
of the
EUROPEAN
COMMUNITIES**

Supplement 4/73

**Guidelines
for a social
action programme**

Commission
of the European Communities

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(presented by the Commission to the Council
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**EUROPEAN COMMUNITIES
Commission**

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1. Introduction

1. Considerable economic progress has been achieved since the setting up of the Community. It is likely that this progress will be increased by the accession of the new Member States and by the gradual implementation of Economic and Monetary Union. But the Community's social policy has certainly not achieved similar progress in recent years. While a number of useful actions have been undertaken, the Commission considers that from now on both the whole approach and scale of social action must be changed.

2. The political will to do this was expressed at the Conference of Heads of State or Government in Paris in October 1972. Point 6 of the Summit Communiqué stated as follows :

'The Heads of State or Heads of Government emphasized that they attached as much importance to vigorous action in the social field as to the achievement of the Economic and Monetary Union. They thought it essential to ensure the increasing involvement of labour and management in the economic and social decisions of the Community. They invited the Institutions, after consulting labour and management, to draw up, between now and 1st January, 1974, a programme of action providing for concrete measures and the corresponding resources particularly in the framework of the Social Fund...'

3. The issue now is to give to Economic and Monetary Union its proper social dimension by recognizing that economic expansion is not an end in itself; that its first aim should be to reduce disparities in living conditions and improve the quality of life and the standards of living of the population of the Community.

4. The social policy of the Community should be regarded as a worthwhile aim in itself — a policy having an independent life of its own — and not just as a means of counteracting the social ill-effects of economic progress.

Although a social policy is required for its own sake, it is part of the complex of Community policies necessary to bring about Economic and Monetary Union and must be closely linked to those policies— industrial, agricultural, competition, environmental, consumer protection and, above all, regional policy. If this is not done, the underdeveloped regions and the socially underprivileged would not merely fail to progress but would deteriorate.

5. The Social Action Programme is regarded by the Commission as the basis for a Community social policy which could form part of a future social charter for the Community. What is involved, in fact, is the implementation of the first phase of European Social Union. This phase should be completed not later than the conclusion of the second stage of Economic and Monetary Union.

6. The development of the Community must involve the participation of employers and workers. This participation is regarded by the Commission both as an objective in itself and the best means of ensuring success. In this report, the Commission limits itself to questions concerning participation in decision-making in the social field. The Commission is, however, as requested by the Heads of State or Government, considering the broader issue in the context of its general work programme. Its aim is the establishment of procedures, as quickly as possible, which will give the social partners more effective participation in the development of the Community than they have had in the past.

7. This preliminary report is intended to serve as a basis for discussion with the Council and at the Tripartite Conference involving the social partners in June 1973. The report will also be sent to the European Parliament and the Economic and Social Committee. The Commission wishes to arrive at its final proposals through a process of real and continuous dialogue, and in this way demonstrate its support for the principle of participation contained in the report. The final proposals will be submitted in the Autumn.

II. General considerations

8. Similar social problems are approached in different ways in the Member States based on the differing characteristics of each. These differences of approach should be allowed to continue. It is not the Commission's aim to centralize the solutions of all the social problems of the Community. Nor would it wish to see introduced a single social policy tackling all social problems in the Community in a uniform manner. The progressive harmonization and improvement of living and working conditions must be the objective.

9. There is, however need for Community action in the social field because:

(a) some problems are common to all Member States and are best solved on a Community basis rather than in isolation. The number of these problems will grow with the increasing integration of the economies of the Member States;

(b) without Community solidarity, the less-favoured Member States and regions will be unable to solve their problems because they cannot do so alone;

(c) progress towards economic and monetary union implies that the process of adjustment between the economies of Member States should operate as smoothly as possible; employment is a major aspect of this process. The employment situation in individual countries is a matter of common concern, as is inflation. Furthermore, monetary integration already imposes certain constraints on national economic policies. This requires a parallel endeavour at Community level to promote the improvement of working and living conditions.

10. The Commission, in this report, does not suggest the transfer to the Community of responsibilities and functions carried out more efficiently at other levels. Transfer of more power to the Community institutions may be necessary in the next phase but this would be based on experience during the first stage and not on predetermined views.

11. Although a uniform social system for the Community is not envisaged nor the general alignment of all social systems, it is nevertheless necessary to aim at minimum standards of social protection capable of being regularly improved. Appropriate transfer of resources at Community level must also be envisaged to permit the less-favoured Member States to reach those minimum standards and thus facilitate their progressive harmonization and improvement.

12. Close and continuous collaboration between national administrations and Community institutions is essential because of the close connection between the problems to be solved and the different bodies responsible for their solution. This collaboration can be carried out under the EEC Treaty, particularly Articles 118 and 121.

13. Similar collaboration is necessary between the social partners and the Community institutions because of the important role played by the social partners in so many fields affecting social and socio-economic policy. This collaboration with the social partners must, as is the case nationally, apply globally as well as in the different sectors. Appropriate new structures must be established with the necessary means of action to ensure the effectiveness of this collaboration.

14. The achievement of an effective social policy needs the support of vigorous Community policies in several other fields — economic, monetary, industrial, agricultural, competition and regional — in order to achieve the following objectives implicit in the decisions taken by the Heads of State or Government at the Paris Summit:

- (i) full and better employment;
- (ii) improvement of living and working conditions;
- (iii) participation of the social partners in the economic and social decisions in the Community.

III. Full and better employment

The present position

15. Community unemployment rate is at present 2.5 % on average but within member States there are regions in which unemployment is more than double the national rate. Unemployment in the Community is due not only to economic considerations but also to a considerable extent to structural and regional factors.

16. Because of the absence of adequate statistical data and the lack of harmonization in available figures, it is difficult to get a precise picture of the pattern of employment and unemployment in the Community. Workers lack information on job vacancies and the skills required.

17. Because of regional unemployment workers are forced to leave home to find work. As long as this situation is allowed to continue, movement of labour cannot be described as 'free'. These migrants originate not only within the Community but also from third countries. Migrant workers at present exceed six million and the number is rapidly increasing. Generally speaking, the working and living conditions of the migrant workers are far from satisfactory. There is no coordinated approach by the Member States towards the rate of entry or to the conditions accorded to migrant workers from third countries.

18. The employment pattern is undergoing structural changes which will accelerate in the future. Factors contributing to this include the European integration process; international trade negotiations; reform of the International Monetary system; rapid technological development; changes in consumer demand; mergers, rapid development of multinational companies; the development of regions; and improved quality of life environment.

The need for some jobs will disappear while new skills are demanded. Workers have to change type of employment as well as place of employment and this frequently involves move-

ment from one sector of employment to another and, at present, movement from one region to another.

19. Women make up one-third of the working population of the Community. The rate of employment of women is increasing, particularly of married women between the age group 30-45 years. Women are not, however, getting the same opportunities and conditions of employment as men.

20. There are groups with specific employment problems. Some young workers have to wait longer after leaving school before finding suitable employment. Elderly workers are forced by technical change to retire prematurely or accept downgraded employment. A large number of people of working age in the Community are unemployed because of physical or mental handicap.

Objective

21. Full employment must be a primary aim. It is the responsibility of governments and the Community to ensure full employment through adequate economic and financial policies.

22. The objective must be to create enough jobs to provide employment for the present and future working population of the Community. Employment policy, however, should be particularly concerned with the creation of new jobs in underdeveloped or declining regions. Employment must be brought to the workers. Forced migration must be brought to an end. All this requires a comprehensive and effective Community regional policy. Regional bodies with representation by local authorities and the social partners should be set up as soon as possible or further developed to monitor and initiate action for the creation of employment.

23. The Council and the governments of the Member States should ensure that the workers are given adequate employment opportunities so that they are not forced to migrate through

economic pressures. The same standards of social protection as are enjoyed by citizens of the host country should be applied to migrant workers. Full participation in the economic, social and political life of the host country must be progressively extended to migrant workers. Member State policies towards the intake of migrant workers from third countries should be coordinated.

24. Adequate training is essential to equip workers for changes in job pattern so as to give them the necessary security of employment. This is an essential complement to a Community Regional Policy. Where employment is interrupted, incomes must be guaranteed for the period of retraining. Women must have the same opportunities as men in employment and have access to the full range of careers. This requires equality of education and training as well as the development of appropriate social services. Special attention must be given to the employment problems of specific categories such as school-leavers, elderly workers and the handicapped.

25. A policy of full and better employment cannot be effective unless comprehensive information systems are set up which will indicate clearly the location and nature of the problems and permit forecasting of future trends. Workers must know the location and nature of job opportunities.

Conclusion

26. The Commission considers the following action necessary and envisages that certain of these measures will be partially financed by the Community:

Employment

(1) the provision of adequate measures, such as contributions to direct employment premiums, for the creation of new jobs in underdeveloped and declining regions;

Training

(2) the introduction of incentives to contribute to and thereby stimulate the setting up by

the Member States of systems of retraining and resettlement containing guarantees to the workers against loss of income. A higher rate of incentive would apply to underdeveloped regions or declining regions because of their greater need of training and retraining. Community assistance would also be provided for the setting up of training centres in those regions;

(3) the setting up of a European centre for vocational training to promote in particular research, exchange of information and the alignment of standards of professional training as well as the organization of training programmes; the Council should take the necessary decision by 30 June 1974, on a proposal to be made by the Commission;

Migrant Workers

(4) the adoption by 31 December 1974 by the Community institutions of concrete measures to give the following assurances to migrant workers:

- (i) the same degree of social protection as that enjoyed by citizens of the host country;
- (ii) reception facilities covering training (including linguistic studies), education (of children as well as the workers themselves), welcome services and housing;
- (iii) increasing participation in the economic, social and political life of the host country.

The Community Institutions will by the same date decide on a system of coordination of the policies of the Member States concerning immigrant workers from third countries.

In order to prepare the proposals to be presented in these areas, the Commission envisages having assistance of an *ad hoc* group including representatives of the Member States;

Women

(5) the setting up in those Member States where they do not at present exist of national

Committees on womens' employment problems and of a permanent committee to assist the Commission in coordination at Community level. This Committee would examine the present situation and future trends with a view to reporting by 30 June 1974 with suggestions for improvements in such matters as access to employment, promotion, training and retraining, paid maternity leave, child care facilities, flexibility in hours of work and social security provisions. This report could serve as a basis for appropriate proposals by the Commission to the Council;

School-Leavers

(6) the introduction of an incentive to contribute to and thereby stimulate the setting up by the Member States of a system of further training for school-leavers who fail to obtain jobs. Provision should be made for pre-wage payments during such further training and for mobility grants where movement to other areas is involved;

Elderly Workers

(7) the introduction of a similar incentive for schemes guaranteeing elderly workers against loss of income due to forced premature retirement or downgrading to lower duties;

The Handicapped

(8) the establishment of pilot centres and the promotion of pilot experiments in the training of instructors in the rehabilitation of handicapped workers;

Collaboration of national employment services

(9) the setting up by 1 January 1974, in a form to be defined later, of a system of permanent collaboration between the Commission and the national employment services;

(10) the promotion of pilot experiments involving computers in job placement. The

knowledge acquired through these experiments would be invaluable in the setting up of the most efficient systems for other parts of the Community;

(11) the implementation by the Member States of the SEDOC system of standardized data on job supply and demand, and the extension of the range of occupations coming within this system;

Exchanges

(12) that the Member States should make greater use of Article 50 of the EEC Treaty by setting up, in close cooperation with the Commission, a common comprehensive programme for exchange of young workers in the Community.

IV. Improvement of living and working conditions

Present situation

27. The standard of living within various Member States has generally progressed in recent years. Although available statistical data is incomplete, it is nevertheless clear that the present distribution of incomes and wealth in the Community is far from satisfactory.

Among the working and non-working population there are many people whose standard of living is inadequate. Regional differences in living standards are considerable and are, in some cases, widening. The situation of the poorer sections of the population is greatly aggravated by inflation. The principle of equal pay for equal work by men and women is far from being fully applied in the Member States. Some sections of the population do not come within the social security systems, while in the case of others benefits are inadequate.

28. The absence of adequate housing at reasonable cost is a grave problem for many workers, particularly migrants. Hours of work vary considerably between the Member States and between the various sectors. Too often present work systems, particularly assembly-line operations, waste human capability, especially intellectual capacity, and deny to the worker adequate freedom and responsibility in the organization of his work. The greater use of systems like assembly-line working, continuous working and long-range supervision make new tensions for workers and give added urgency to the need for adequate health and safety protection.

29. The development of an industrial civilization too often prevents man from benefiting from its achievements; pollution and other nuisances have grown at such a rate that the quality of life is seriously threatened, not only in work places but in the environment generally.

Objective

30. Distribution of income and wealth must be made equitable, particularly to improve the standard of living of the less-favoured categories of the population. An essential preliminary step is to set up a system giving rapid and objective information on the present situation and future trends in income distribution, not only of salaries and wages but especially of income from other sources.

31. Social security policy must, of course, concentrate on social objectives but should not neglect the economic and financial aspects. In order to promote this objective at European level it is necessary to establish a social budget system which will show the situation in the various Member States on a comparable basis. The extension of this system to cover all relevant aspects of social policy and the development and greater use of the standardized statistical data known as social indicators will facilitate the review of progress achieved in the direction of the harmonization of the social policies of the Member States.

32. Action must be taken at Community level to redress the tendency to dehumanize work organization and methods. This requires the introduction of systems better suited to human needs, which will involve studies and research in which international cooperation is desirable. Companies will require aid from public sources to enable them to make the transition to these new methods. The policies of the Member States in this regard must be coordinated, if distortion of competition is to be avoided.

33. This report deals with certain aspects of the working environment. The Commission has already submitted to the Council a separate report concerning general environmental problems.

Conclusion

34. The Commission considers the following action necessary:

Distribution of Income and Wealth

(1) the development by the Member States of more comprehensive systems of information which will facilitate examination of the distribution of all forms of wealth. Data should be standardized as far as possible to permit comparison at Community level;

(2) the examination of the question of minimum wages — whether determined legally or through collective agreements — in the Member States. The Commission's intention is to draw conclusions from this study by 31 December 1974;

(3) the implementation of the principle of equal pay for men and women in the Member States: the Commission will shortly submit a report on the situation as at 31 December 1972. The Commission will take the necessary initiatives provided for in the Treaty;

(4) the further improvement of the position in Member States regarding asset formation by workers in the light of the report at present being prepared by the Commission;

Social security and social indicators

(5) the gradual extension of the Community Social Budget to take in all aspects of social policies and the authorization of the drawing up of projections for periods going beyond the present limit of 1975. The social projections should cover the same periods as the projections made in the framework of medium-term economic policy;

(6) the development and extension of the present system of social indicators. The Commission's intention is to make proposals to the Council on this subject by 31 December 1974;

(7) the drawing up of concrete proposals for the gradual extension of social protection to categories of people not covered, or inadequately provided for, under existing systems;

(8) the examination by the Commission of the desirability and possibility of introducing

Community support for unemployment benefits. The Commission's intention is to draw conclusions from this study by 31 December 1974;

(9) the progressive coordination of the social security systems of the Member States in their application to (a) self-employed persons moving from one Member State to another and (b) supplementary benefits which do not at present apply to migrant workers. The Commission will shortly begin the necessary preparatory work;

Housing

(10) the setting up of pilot schemes of social housing, particularly for migrant workers;

(11) the regular holding of Council meetings dealing with the problems of social housing;

Assembly-Line Work

(12) the immediate undertaking of studies, in collaboration with the social partners, with a view to the abolition of assembly-line working. Solutions should be sought by sector and applied on a Community basis.

Safety and working environment

(13) statistical enquiries regarding accidents at work. The Commission will by 1 January 1974, submit a framework proposal to the Council under Article 213 of the EEC Treaty;

(14) the establishment by the Council of standards of work safety in particular sectors. Priority should be accorded to the sectors with the highest accident rate. Following studies carried out by the social partners in the framework of the sectoral joint committees, the Commission will submit appropriate proposals to the Council;

(15) the promotion of exchange of information for the improvement of work safety generally;

(16) the improvement of the working conditions and the working environment. The European Foundation for the improvement of the environment already proposed by the Commission in its action programme on environment policy can make a substantial contribution in this field. The Foundation should also pay particular attention to the problem of the organization of work in the manner best suited to human needs. This involves dissemination of information, research and training of research workers and, as appropriate, pilot experiments.

V. Participation of the social partners in economic and social decisions

Present situation

35. There is a growing tendency in the Member States to increase the degree of participation of the social partners in the process of decision-making. This follows from the increasing need to associate people in social and economic decisions which affect their daily lives. This involves improved information and consultation procedures, as well as increasing the degree of involvement in the decision taking process itself.

36. Workers' participation in enterprises has a special importance. This need is increasing with the growth in the size of enterprises and the increase in the number of multinational companies.

37. Some of the Member States have already provided in their legislation for direct involvement of workers in company decisions. In this respect, the future development of company structures is being actively debated.

38. The question of participation in decision-making process at Community level also arises. Its importance increase with the growing integration of the economies of the Member States and with the increase in number and scope of Community decisions that affect the lives of people. Efficient structures, therefore, are needed to develop this participation and to make it as effective as possible.

Objective

39. Participation should be pursued both as a socially justifiable aim in itself and as a means of achieving greater effectiveness. This principle should apply at all levels. The need for greater involvement of the social partners in the economic and social decisions of the Community was emphasized by the Heads of State or Government at the Paris Summit.

40. In the social field proper, there is an obvious need for greater participation because of the number of issues dependent upon agreement between the social partners; in the Member States, many social questions are the object of collective agreements between the representatives of employers and workers. The extension of this system on a Community scale is envisaged in the Summit Communiqué which advocates the 'conclusion of collective agreements at a European level in appropriate fields'.

41. The social partners should be helped by the Commission in the practical preparation of negotiations, with information and technical assistance. There should, however, be no question of interference in the independence of the social partners in collective bargaining.

42. In this report, the Commission's suggestions regarding participation are limited to the field of social policy.

43. The Commission recalls that it has already made proposals regarding workers' participation in its submission to the Council concerning a statute for a European company and a Fifth Directive on the harmonization of company law.

Conclusion

44. The Commission considers the following action necessary :

(1) the extension of the terms of reference of the Standing Committee on Employment to include all questions with a fundamental impact on employment;

(2) the convening of special Community labour conferences on an *ad hoc* basis, with participation by the Council, the Commission and the social partners;

(3) the extension of the system sectoral joint committees with the object of preparing collective agreements on a Community level. The work of the joint committees will be faci-

litated by the implementation of the mandate given to the Commission by the Council, 9 November 1972, to compile a Community index of collective agreements in thirteen specified branches of industry. The Community Institutions should be empowered to make collective agreements generally binding;

(4) the provision of assistance to European organizations of trade unions to help them develop training and information services on Community affairs. The Commission suggests the setting up of an Institute of Labour.