



# forum

*Special*

5 years of  
Social Policy

Employment & social affairs



European Commission



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## Interview



with Pádraig Flynn

COMMISSIONER FOR EMPLOYMENT,  
INDUSTRIAL RELATIONS  
AND SOCIAL AFFAIRS (1995 to 1999)

### 1. What was happening in social affairs when you were given the portfolio? What did you think when Mr Delors offered you the job?

I knew for a short while before that I would be offered the job as social affairs Commissioner and was pleased not least because I was aware how personally attached Jacques Delors was to the issue, but I have to say that when I arrived, social affairs was in need of fresh impetus. There were a number of moribund proposals and a general lack of interest in the Member States in dynamically pursuing a social agenda. In addition, DG V badly needed to improve its image. In far too many instances, there was too much emphasis on drawing down budget funds rather than on making effective use of them.

#### You mean poor policy focus...

I do. And reform was needed. I wanted the field to be livelier, fuelled by new ideas and I knew that Mr Delors was looking for someone with just this vision – a "social work horse" if you like. Social policy has had to be a driven agenda during my time, requiring someone with commitment and stamina. And I relished the challenge. My interest was caught by the opportunity to influence as best as I could a key policy area for the future of Europe and its citizens.

### 2. How did you set about pursuing a reform agenda?

As I saw it, developments in social policy had to match wider changing circumstances such as the new single market, the speed of globalisation and more general societal changes.

#### You seem to see it as not just a social agenda but an economic one too.

Yes, I got the feeling that social policy had for too long existed in isolation. I was determined that it should be a key integral element in all other areas, be it internal market, EMU or enlargement, and not simply an "add-on". And for social

policy to keep pace required constant momentum and the occasional dramatic measure. It was clear from the outset that the whole focus of social policy would have to change radically. That was never going to be easy because it was a whole set of disparate pieces. To redirect things required planning. And I did go into the job with a plan – not only to address outstanding issues but to formulate a whole new framework – a social policy action programme.

### 3. You took an early dramatic step on employment. In fact, some have said you were obsessed with employment. True?

Correct. And Member States' progress on the jobs front has been a great success story. The 1993 White Paper made clear for the first time that employment was not just a cyclical response to macroeconomic growth but structural also, and that economic growth alone was not enough to alleviate joblessness. It was a key document, which ultimately provided the impetus for the new Treaty base. And this is reflected in the Member States' approach to the whole subject. They have moved from a range of views and policies towards a consensus in a stated strategy, known as the Luxembourg Process, based on targets, time scales, guidelines and evaluation. Without all of these elements, the European employment strategy would not have worked. And to say I was greatly pleased that a common strategy was agreed would be putting it mildly. I knew things were moving in the right direction but it was a real achievement to get leaders of Europe, Heads of State and Government to sign up to firm but difficult commitments.

#### They made a leap of faith...

Indeed. And now they have to honour these commitments, which is sometimes hard and demanding of their systems. Member States will have to undergo strict evaluation based on indicators and targets in the strategy guidelines. And the Commission must have the political courage

“ The Commission must have the political courage to single out those Member States which aren't living up to their undertakings on employment ”



“The vulnerable need someone to speak out for them at European level. I would like to think I did that.”

to single out those Member States which aren't living up to their undertakings. It must also have the guts to make recommendations. This is the real task for the next Commissioner. But the process has all the ingredients for medium-term success. It has progressed from isolated statements of good intent to a common voice, which gets a global hearing. Just look at the recent G8 Summit in Cologne, where President Clinton referred to the Luxembourg Process as the way forward.

### So you've achieved the biggest part of your plan

There were four main parts to the plan. Number one was to make employment the main priority. We managed that and the issue has stayed at the top of the agenda for the past six EU presidencies. It will remain there. The second job was to clear the decks of outstanding legislative proposals, revisiting and rewording them to convert them from dead-letter proposals to politically live, relevant texts. I had no interest in filling up the statute books with irrelevancies but with concrete legislation – for example, on health and safety, equal opportunities or the European works councils – with a direct bearing on people's lives. Most of these proposals, I'm happy to say, are now enshrined in Community law. Another cornerstone of my strategy was a review of policy direction: the social action programmes and the forums we held were all part of a planned progression to raise the profile of the social agenda. And the fourth element was reform of the social fund – the key to human resource development in the EU. While forming only a small

part of total Member States spending, its main job is to act as a catalyst to trigger human resource financing. The latest reform of the funds has been very dramatic as was the first, which was a prerequisite for it. The social fund is now the real link with the European employment strategy and Member States have to use it to promote the policy areas supporting the strategy. In the past an awful lot of money was spent by countries producing programmes designed just to secure funding rather than responding to their own actual policy requirements and social circumstances.

“It troubles me that Member States often take credit for social policies that are well received while blaming the EU for those that are not.”

### 4. People might say that there is more to do for other, classic social policies.

There was always a lot of lip service paid to the vulnerable in Commission activities. When I arrived, I was quite taken aback by the fact that good intentions did not translate into effective action for groups like the disabled, the young, the excluded or elderly. They need someone to recognise them and to speak out for them at European level and I would like to think I did that. I have managed to get action directed towards the most vulnerable enshrined in the employment strategy, to have them recognised in the true sense of equality. And look at the successes: the 1993 Year of the Elderly was a major achievement that homed in on a group full of untapped potential, knowledge and experience. It also paved the way for our most successful European Year ever – against Racism – which has made a lasting impression and was instrumental in introducing the new Article 13 on anti-discrimination, into the Amsterdam Treaty. Amsterdam gives an enormous boost to social policy – it is in fact the social treaty of our time – with another major new provision in Article 137 on social inclusion. I wish I could have been the one to introduce the first proposals under the new articles. All the preparatory work on far reaching legitimate proposals in these areas is complete and I look forward to early proposals being made by my successor in office.

### And public health?

When I came into office, there was limited Community competence for public health but we have done a lot since then and the new Treaty will be a driving force in raising the profile of these issues further. Of course, there are highly sensitive threats like BSE, CJD and the Dioxin scare that require immediate action but we must always be mindful of the continuing problems such as smoking, which kills half a million in the EU every year.



5. You had a rough ride in the Parliament on equal opportunities in 1995 although your subsequent relations with Parliament are acknowledged as better than most. How do you see the relationship between the two institutions now?

Well I have a parliamentary background myself so have always been attentive to the European Parliament. As far as my own relations with it go, I would say they got off to a good start, worsened after two years before improving dramatically. Parliamentary life is always robust – the important thing to remember is that lively exchanges can improve relationships and policy progress. More generally, I think that, after the events earlier this year, the Commission and Parliament need a fresh start with no hard feelings. Suspicion and antagonism must give way to cooperation. Some tensions are inevitable as certain powers have shifted from the former to the latter but if the two institutions get bogged down in turf wars, the wider institutional relationships will lose out and the citizens we represent will become further disillusioned.

6. How do you see social policy and enlargement? What are your main messages to the applicant countries?

This is a very demanding area that up until recently has not enjoyed the importance it merits. I have a very clear message: the applicant countries have to realise that they must get up to speed. They must spend money now to develop their human resource potential. The costs will be high initially but the rewards will be great. Social policy is crucial for stability and cohesion and will be a crucial element in accession negotiations.

7. Any regrets over your time here?

Some, yes. It troubles me, for example, that Member States often take credit for social policies that are well received by the home audience while blaming the EU for those that are not. And I am disappointed by the level of progress in certain areas such as information and consultation. Take the proposed European Company Statute: it could have been such a positive move and it wouldn't have imposed mandatory rules on anyone so I'm perplexed that one Member State threw

it out. And I'm saddened that some obvious successes have been overshadowed by other agendas although I feel sure they will shine through with time.

I'm especially proud of the directive banning tobacco ads – one instance where the public good had to come before business interests. Despite enormous lobbying from companies and some Member States, the Commission stood its ground and negotiated a breakthrough of considerable importance for the future. This was a boost to its self-esteem.

8. What are the main challenges for your successor?

The Amsterdam Treaty is a new driving force for social policy. And my successor will have a very heavy workload. The whole area is in much better shape now and the next period must be one of consolidation and fresh initiatives. This is a great opportunity for the next incumbent to make Europe real to people but this will require effective communication so that citizens can see that the Union does things of relevance to their lives. And social policy is of course central to any improvement in the Commission's image. The next Commissioner will also have to take on board societal changes such as the ageing of the population, which are long term and so not currently treated with the urgency they deserve.

9. And for Mr Prodi?

Likewise. Mr Prodi must convince voters that the Union is good for them. The dramatic slump in the turnout at the last European elections is very worrying and we now need a strong and sure-footed President who can articulate a vision which personalises Europe.

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## FROM THE SINGLE ACT TO AMSTERDAM

The Evolution of European Employment and Social Policy

The past decade has seen a growing understanding in Member States and the EU of the central role of employment and social policy, both as a productive factor in economic performance and as a mark of civilised society. The European social model has enabled us to manage continuous structural change, in our economies and societies, without creating the great divisions that others have experienced.

The model spans many policy areas: from education and training to employment; from health and welfare and social protection to dialogue between trades unions and employers; from health and safety at work to the fight against racism and discrimination. It takes many forms: welfare systems, collective arrangements and delivery systems. It has been conceived and applied in different ways, under different public, private, social partner and third sector arrangements in the various parts of the EU, as a function of our rich diversity of culture, tradition and political development.

Across the EU, policy in this area shares a common foundation, based upon two great economic and social perceptions. One is that competition between companies is the engine of economic progress. The other is that solidarity between citizens is the basic component of the social cohe-

sion from which we all benefit. Of fundamental importance is a recognition that the labour market is different from the market for goods and services; that labour is not a commodity, but comprises individuals in constant development; that wages are, not only a cost factor for production, but the main source of demand for goods and services; that people and skills are the real economy, in terms of supply and demand, production and consumption.

This is the basic shared dynamic of the European social model, in all its diversity of systems and structures: that we need strong competition between companies to improve productivity and growth; but we also need strong solidarity between citizens to improve the conditions which generate a cohesive and inclusive society.

This social dimension enables us to navigate change in our economies and societies. It is central to the remarkable economic success of the EU to date. It will be central to our continued economic progress, and to making the next phase of enlargement work for new Member States, and for present Member States.

The EU is becoming ever more interdependent, as a single market of 370 million consumers, and as a significant currency zone; we can no longer



export economic, social, or monetary problems to each other, as companies, sectors or countries.

That means we need to solve problems, and create opportunities, together. We need the European economic entity, as a whole, to be healthy, to draw the economic benefits of integration. And we must secure a level playing field, for the movement and transaction of goods, services, labour and finance, if these benefits are to be translated fully into strong economic and employment performance.

Finding this balance, in terms of employment systems, demands clear rules. These rules enable companies to trade more easily. They ensure transparent ways of measuring competitiveness and productivity growth, for consumers and investors. Transparency enables competitiveness to be based on human resource investment, innovation, added value, and high productivity; not on the short termism of low standards or low skills, or reducing rights to health, welfare or equal treatment.

Finding this balance means acknowledging that our systems are no longer effectively fulfilling their two basic purposes. The first is to enhance economic performance, in response to economic, technological and social change. The second is to moderate the effects of change upon the vulnerable and the deprived. In order to continue to meet these responsibilities, the EU has recognised two things. First, that modernisation of our social and employment systems is crucial to economic success. And secondly, that strong social policy, in the workplace, and across the social landscape from which we draw our creative and productive capacity, is central to this modernisation.



★ There are a number of landmarks in this developing recognition of the interdependence of economic and social policy, and the interdependence of Europe as an economic entity. The first was the 1987 Single European Act, which ushered in the themes which have shaped the European economic and social agenda of the 1990s.

The main concern of the Single European Act was the completion of a single market by 1992; but it carried implications for the future shape and dynamic of European social policy. Its emphasis on the single market was followed quickly by pres-

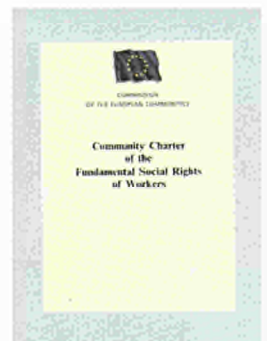
sure for the introduction of a social dimension to balance the effects of stronger cross-border competition and to ensure that the rewards of the new economic order were shared by workers as well as companies.

Article 118a of the Treaty said that Member States should "pay particular attention to encouraging improvements, especially in the working environment, as regards the health and safety of workers". This reference to the working environment was significant. It was later applied to directives with an impact on working conditions, for example, in the areas of protection for pregnant women and working time.

Article 118a also introduced qualified majority voting for the first time. And it required the Council to adopt "minimum requirements for gradual implementation, having regard to the conditions and technical rules obtaining in each of the Member States". This allowed Member States to maintain or introduce more stringent requirements, as long as a baseline was achieved. This idea of moving up rather than down was important for the spread of the values and achievements of the European socio-economic model among different national systems.

Article 118b introduced the idea of dialogue between management and labour at European level - a European social dialogue (later developed in 1993 in the Agreement on Social Policy annexed to the Treaty of Maastricht). The subsequent Community Charter of Fundamental Social Rights was signed by 11 governments in 1989. The Charter set down a common core of fundamental principles to which all Member States could aspire. It has been a reference point for social policy ever since. From the Charter came the second Social Action Programme, which offered a range of measures, some legislative, others in the form of action programmes, proposed to give effect to the principles of the Charter.

Therefore, while the Single Act had the completion of the Single Market at its core, it also had the effect of demonstrating that the Single Market had to have a strong social dimension, if it was to work well and be acceptable to Europe's citizens.





- ★ ★ ★
- ★ The second landmark was 1993, a year which
- ★ transformed the way that employment would come to be defined, as a strategic issue and as an EU concern. This process began with the Commission's Community-wide framework for employment and the subsequent White Paper for Growth, Competitiveness and Employment.

The 1993 White Paper did two important things for the very first time. First, it asserted the need for the Member States, and their partners in policy-making, to act decisively across a mix of policies: from taxation to training; from education to economics; from social protection to social partnership; in order to generate the maximum employment from economic growth. It made clear that labour market measures were essential, but not sufficient, to raise employment performance significantly. It argued that economic growth, too, was essential, but not sufficient, to turning economic success into jobs. It moved the EU on from compartmentalising policies; from categorising people as problems; from short termism. It shifted the focus towards a more holistic agenda: structural reforms to address structural policies; and incentives and investment in education, training and labour market systems, to enable people to contribute, and markets to respond.

Secondly, the White Paper marked a second important change in employment policy. It looked, for the first time, at how the Union itself could become a central player in helping Member States and their partners, to address common employment problems. It moved us, for the first time, to ask how - rather than whether - the Member States that make up this Union should work together to solve our employment problems.

- ★ ★ ★
- ★ This development was cemented in two ways.
- ★ The Treaty on European Union, the Maastricht Treaty, entered into force in November 1993. This introduced new possibilities in the social field, notably in the shape of the Agreement on Social Policy, adopted by all the Member States, except for the United Kingdom. The Agreement stated that the 11 Member States "wish to continue along the path laid down in the 1989 Social Charter" and provided for adoption by qualified majority of measures in areas previously requiring unanimity, such as working conditions and information and consultation of workers.

The Agreement also set out an enhanced mechanism for consultation of the employer and

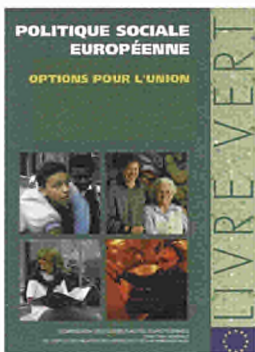
employee organisations in preparing proposals, and - for the first time - gave "social partners" the option of reaching European-level contractual agreements which could take the place of legislation. In introducing a new basis for action, the Agreement opened up a new role for the social partners, and the European social dialogue as a whole, in the shaping and making of social and employment policy.

At the centre of action to realise the potential of these political developments was the Commission initiative for a Green and, subsequently, a White Paper, on the future of European Social Policy. The 1993 Green Paper launched wide ranging consultation which generated nearly 600 written responses.

In July 1994, the Commission adopted the White Paper on European Social Policy. It set out the EU's strategy for the development of European social policy for the next six years and beyond. It confirmed the value and distinctive nature of the European social model. It also confirmed that it must be reformed to fit the needs of the modern era. It identified the key characteristics of change: globalisation of world trade and the impact of new technologies on work and individuals; demographic developments and the gradual ageing of our society, with a smaller proportion of the population economically active and higher rates of expenditure on health care and pensions.

The White Paper marked the point where European social policy began to be as much about employment as about unemployment. It proposed an action plan to re-design employment systems. The European Council agreed the plan, and the medium-term Social Action Programme for 1995-97 took it forward. The Programme focused on employment; the consolidation and development of legislation where necessary and appropriate; equal opportunities for women and men; the building of an active society for all; and the need for ongoing research to support this new policy approach.

The next landmark was, of course, the 1997 Treaty of Amsterdam. One of the prime tasks of the 1997 IGC (Inter-Governmental Conference) was to demonstrate the Union's commitment - and build its ability - to help reflect better the





basic concerns of people, in a world marked - perhaps more than our institutions could have imagined 10 years ago - by integration of Europe's markets for goods, services and labour. The response was clear.

The Treaty states that: "Member States shall regard employment as a matter of common concern and "shall co-ordinate action." This common concern became detailed commitments, in national action plans, within months. The commitments were framed under the four pillars of: employability, entrepreneurship, adaptability and equality of opportunity. The Member States' national action plans are based on applying these four priorities, through specific guidelines, in local circumstances, to local conditions.

This innovation in the Treaty has delivered real policy coordination, in a practical way, based on the principle of employment as a matter of common concern.

And it offers a framework within which Europe can respond effectively to the key factors of change driving the development of the workplaces and workforce of the future: organisational and technologically-driven change in production, in small and big companies.; and the different shape of the workforce - in terms of age and gender balance - which will have to be equipped, to realise Europe's full productive potential.

The new Treaty also brought the provisions of the Social Chapter, and with them the potential strength of social partnership as an engine of modernisation, firmly into the mainstream of economic and social policy.

The Employment Guidelines underscored the importance of the European employment strategy in helping Member States and social partners to modernise labour market and structural policies, for new challenges and new opportunities. European Union support to the priorities of the European employment strategy will be applied through the Structural Funds, especially the mainstream resources of the European Social Fund. This is a new departure. European Social Fund planning will now become an integral part of Member States National Action planning, year on year.

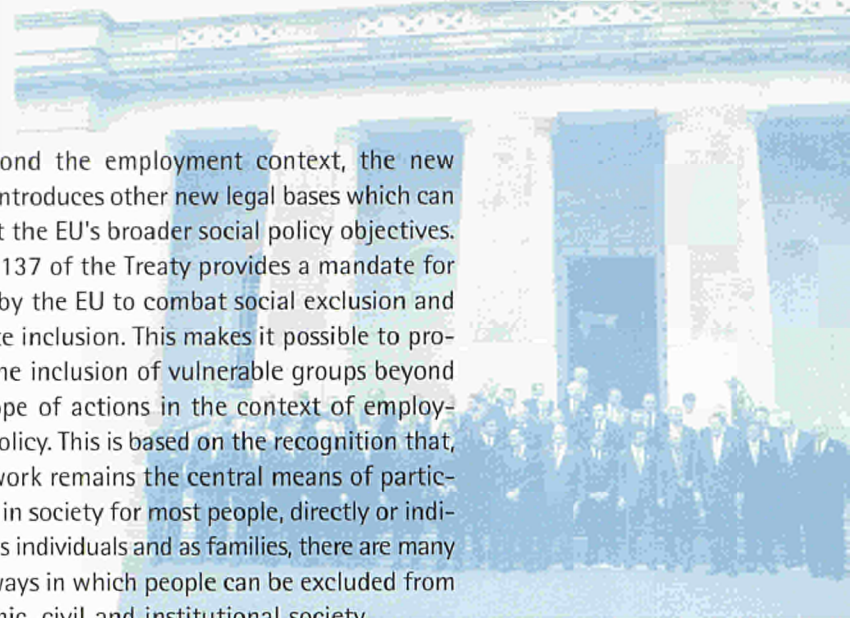
Beyond the employment context, the new Treaty introduces other new legal bases which can support the EU's broader social policy objectives. Article 137 of the Treaty provides a mandate for action by the EU to combat social exclusion and promote inclusion. This makes it possible to promote the inclusion of vulnerable groups beyond the scope of actions in the context of employment policy. This is based on the recognition that, while work remains the central means of participation in society for most people, directly or indirectly, as individuals and as families, there are many other ways in which people can be excluded from economic, civil and institutional society.

The consequent task is twofold: to explore how the EU's less developed social inclusion activities - outside the labour market - can best be focused in the light of the new Treaty; and to work out how best to design measures under these objectives, in terms of effectiveness of reach, quality and value for money. Development of policy to promote social inclusion and tackle poverty must reflect all the areas of cause and effect which it touches, especially at local level. That can span many sectors like social protection, education, health, housing, transport, culture.

The objective of EU action is still to support national and local agencies and partnerships' efforts, to improve the standard of living and quality of life of vulnerable groups, not least by enabling them to work together, and to learn from each other more systematically, in developing new responses, to meet new conditions. The main tools to tackle exclusion and promote inclusion - social security and welfare, housing, education, health, justice and policing - already exist. The need is to enable existing mechanisms to work better by: re-aligning their coverage and delivery to meet new needs and conditions; and refining and redirecting them towards actively combating social exclusion and promoting inclusion.

The new Treaty and Structural Funds agreements will enable the EU to create a stronger framework to:

- encourage and support innovation and action by practitioners and development agents in Member States;
- develop mechanisms to enable agencies and projects to learn from one another, and cooperate more fully, in the national and the local context.



The Cardiff European Council, June 1998





It will also provide better support for Member States' efforts, both to modernise the policy instruments which can enhance inclusion in labour market, civil society and institutional structures, and to develop and improve the partnership mechanisms needed to do so. This has particular relevance for local and regional government and non-governmental organisations (NGOs).

A related area where European social policy will now be better equipped to support action on the issues which shape the well-being of citizens, is racism and discrimination. Citizens expect our societies to respect fundamental rights and principles of equality, and provide opportunities for all to participate fully in economic and social life.

Article 13 of the Amsterdam Treaty provides for "appropriate action" to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. This will enable the EU to help national and local agencies to do more on the fundamentals of integration and rights, on disability, on minorities, on the social justice upon which cohesion is built, and on which the European Union is built.

Over the past ten years, the EU has created a broadly-based strategy which addresses common structural problems. This new cooperation is not the product of a sudden outbreak of idealism. Rather it is based on practical good sense. Because Europe's commitment to strong social policy is not a matter of sentiment. It is a matter of productivity just as much as of social justice.

It is the European Union's approach to social and employment policy that has enabled us to double the living standards of the people of Europe, over the short lifetime of the Union. It is our approach to social policy that has made us the largest economic entity in the world. We produce a fifth of the world's output with 6% of its population.

Why? Because our welfare systems have given us the ability to manage continuous structural change, without the extremes of social division that many of our trading partners have had to face. Our tax and social protection systems have brought 1 in 4 of all families - 100 million people - out of poverty and equipped them with the chance to attain a decent standard of living.

What is more, the health of EU citizens has never been better. A whole range of indicators, from average life expectancy, to infant and maternal

mortality, confirm that Europeans now enjoy long and healthy lives. And they confirm that Member States with previously less enviable records are now catching up in terms of longevity and lower mortality.

These are the facts of Europe's social progress. People are enjoying longer and healthier lives, and fewer infants are dying, in all the Member States. In terms of distribution of income, we have steered a balanced and dynamic course, which is unique in the world. Our economic and social achievements are the result of sustaining that balance, over time.

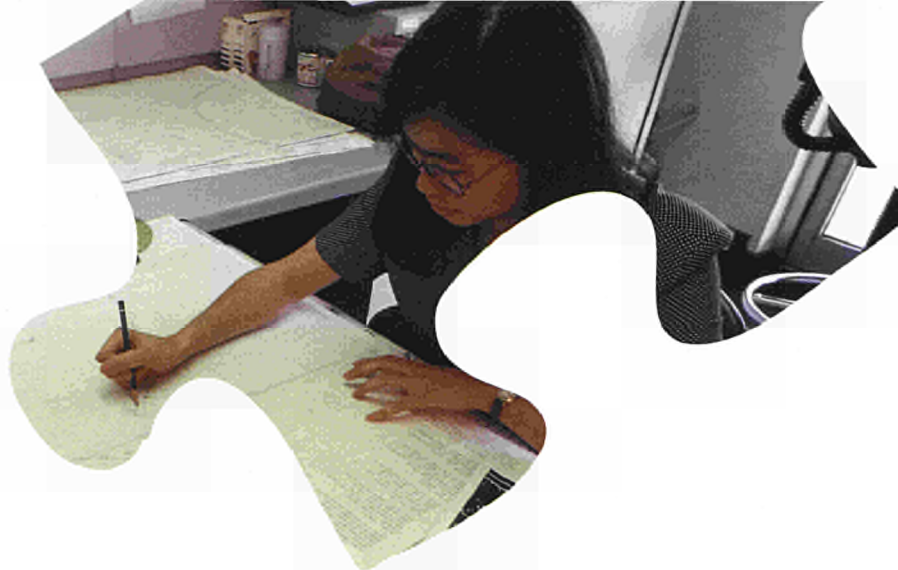
The task now is to build upon that achievement, by creating the employment and social systems that can underpin economic performance in new conditions. The cohesiveness of our societies, the quality of our education and training systems, the way in which we look out for the interests of vulnerable groups and the manner in which we can demonstrate the relationship between self-improvement, work, prosperity and social justice, will increasingly be essential ingredients in building economic competitiveness.

The landmarks of the past decade have contributed strongly to Europe's ability to meet the challenges that this new economic and social agenda imply, not only for the Member States' and European institutions but also for local and national government and the social partners.



# THE EUROPEAN EMPLOYMENT STRATEGY

## TOWARDS MORE AND BETTER JOBS



The last decade of this millennium will certainly be remembered as a turning point for Europe in many respects. This was a decade when the continent freed itself from the aftermath of the Cold War, when walls broke down, and a movement towards a unified continent gained momentum. But it was also a decade of an urgent search for solutions to one of the worst economic crises in the history of the European Union, a decade when Europe had to learn the lessons from past mistakes in economic policies and generate new responses to maintain political legitimacy in the eyes of its citizens. It was a decade when Europe focussed attention on the needs of citizens in search of jobs and social inclusion, after the completion of the Single Market.

The legacy of the 1980's for Europe was an apparent incapacity to handle macroeconomic shocks and to provide access to employment to all who desire it. Structural reforms in product, service and labour markets had been too slow or inadequate to adapt employment and social protection systems to change, and rather than regarding Europe as an economic entity, policies addressed the problems from a country-by-country perspective.

This led to a renewed interest in European solutions through greater coordination and convergence of policies. With the launch of the EMU and EURO, the debate on European solutions shifted focus towards structural policies, which are the necessary complement to the macroeconomic policy mix under EMU. Employment is the key ingredient of this debate. Indeed employment cuts across all the challenges of enlargement, the new financial framework and the EU structural funds, the promotion of economic and social cohesion, and institutional reform.

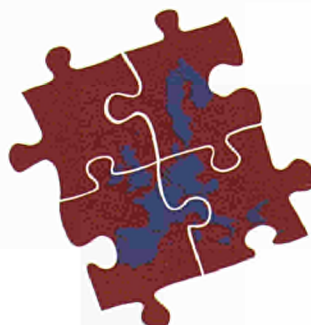
In addressing the issue, the EU did not start from scratch. Throughout the 1970's and 1980's, employment was present in the minds of the lead-

ers of the then EEC when the four freedoms of movement of goods, services, capital and labour were promoted in the Single Market, and in the reaction to the oil crises. Europe was creating jobs except during the periods of external economic shocks (see illustration).

But the real significance of this employment problem was first acknowledged at European Union level in the famous "Delors White Paper" on **Growth, Competitiveness and Employment in 1993**. The backdrop for it was the difficult turn of the decade with its exchange rate turmoil, recession, decreasing confidence of consumers and investors and the new situation created by the demise of Communism as an economic paradigm. The Paper came to be the ideological, political and analytical base for developing a coordinated European approach to employment. This approach was to be called the **European employment strategy**.

The subsequent evolution of this strategy can be divided into two periods, the watershed of which is marked by the new Treaty of Amsterdam, signed in October 1997.

**Before Amsterdam**, employment and labour market policy development at European level could be characterised as traditional cooperation between governments, similar to the OECD or the ILO. While employment policy was the sovereign domain of the Member States, the role of the Commission was to promote cooperation between them by taking initiatives, reporting on employment trends and prospects and undertaking





research and analysis. The Commission also promoted dissemination of information and assisted the Member States in their fight against joblessness and social exclusion with Community funding, mainly through the European Social Fund.

The European social partners had an increasing role by virtue of the Social Protocol (from which the UK had opted out) to promote initiatives which could be turned into European legislation through adoption by the Council. The social partners were also called on to contribute to stability-oriented macroeconomic policies by promoting moderate wage settlements at or below increases in productivity.

Decisions by the Council required unanimity so legislative progress was not easy. Yet, at the level of policy, there was progress in the European fight against unemployment: inspired by the Delors White Paper, the **European Council in Essen** in December 1994 agreed on five key objectives to be pursued by the Member States. These included:

- developing human resources through vocational training,
- promoting productive investments through moderate wages policies,
- improving the efficiency of labour market institutions,
- identifying new sources of jobs through local initiatives, and
- promoting access to the world of work for some specific target groups such as young people, long term unemployed and women.

These objectives, which were to be called the "**Essen Strategy**", were reinforced by successive European Council conclusions and resolutions: in Madrid 1995, Florence 1996, and Dublin 1996. In particular, these further developments of the

strategy focused on the need for restructuring public expenditure for active employment policies, and homing in on the requirement to promote the three "structural policy" objectives of equal access of women to the labour market, the integration of young people into the world of work and the fight against long-term unemployment. The Essen strategy also initiated the first steps to develop common European indicators and to reinforce the European level institutions where a debate on employment issues could take place: at the end of 1996, a permanent Employment and Labour Market Committee was created to advise the Council in this field, with the support of the Commission.

But while the Essen Strategy manifested a degree of political commitment to employment, the work was based on non-binding conclusions of the European Councils, and lacked a clear legal base, a strong permanent structure and a long term vision. This is why the **Amsterdam Treaty constitutes a significant turning point** in the evolution of a coordinated, European approach to employment policy, an approach which will make a difference for the citizens of the Union.

The Treaty does not change the basic principle that Member States take primary responsibility for employment policy. But it does entrust the European institutions, the Council and the Commission with a much stronger role, new tasks and more forceful tools. It involves the European Parliament more closely with the decision making process. Also, the responsibilities of the social partners and their opportunities to contribute are enhanced through the inclusion of the Social Protocol into the Treaty.

Beyond this overall strengthening of the Community approach to employment, the main elements of the Employment Title of the Amsterdam Treaty are as follows:

(1) It recognises high employment levels as one of the key objectives of the European Union, as important as the macroeconomic objectives of growth and stability. This is further enhanced by the fact that the Employment articles are included in the Treaty as a Title (like the monetary and economic articles), not as a mere Chapter. This will certainly have an impact on the case law of the European Court of Justice.

(2) It emphasises that employment is an issue of "common concern". The Member States have undertaken to co-ordinate their employment poli-

The Amsterdam European Council, June 1997





cies at Community level, as EMU will inevitably make this necessary, and in the way labour market measures are implemented in one country inevitably effects other Member States' labour market policy.

(3) It also contains, in Article 127, the important principle of "mainstreaming" employment policy, as it requires that the impact on employment be specifically taken into account in all EU policies.

(4) It creates the framework for a country surveillance procedure: Member States' employment policies are examined through a yearly joint report drawn up by the Commission and the Council. Furthermore, the Commission proposes and the Council adopts yearly employment policy guidelines for the Member States (in a similar manner to the field of economic and monetary policy). Finally the Commission may propose, and the Council adopt, recommendations to individual Member States.

(5) It establishes permanent, constitutionally based institutional structures (the Employment Committee) which allow for visible, ongoing and open debate on employment and other structural policy issues at the European level, and improved preparation of Council deliberations.

(6) It creates a legal base for the analysis, research, exchange of best practice and the promotion of incentive measures for employment, as well as other work undertaken by the Commission at the Community level in this area, which did not exist before.

(7) Finally, it enables decisions to be taken by qualified majority, which prevent a single country from blocking decisions or recommendations which may be necessary for Europe and its citizens as a whole.

While the Treaty of Amsterdam did not enter into force until 1st May 1999, the strength of the commitment to move beyond traditional "European literature" (as Prime Minister Juncker of Luxembourg put it) to concrete action was demonstrated by the fact that the Summit also decided that the key employment provisions of the new Treaty were to be implemented without delay. This is also why the Amsterdam European Council agreed to organise the first ever EU Jobs Summit in November 1997. The aims of the Summit were, besides the operational launch of the Treaty as such, to examine the record of



employment policies undertaken by Member States in recent years, search for "best practice" of successful employment measures, but above all, to move towards clearer targets and commitment in European goal-setting.

As a result of the Summit, the Council, on a proposal from the Commission, adopted in mid-December 1997 the first employment policy guidelines for the Member States. This is the starting point of what has been called "The Luxembourg Process". What is new in this process? Why can it be called a decisive step forward in the European employment strategy?

- First, it has created a convergence process in the field of employment with criteria which every Member State in the EU is expected to fulfil. This has some similarities with the convergence process created by the Maastricht Treaty for economic policy, which has led to a remarkable convergence of the economies of the EU. Admittedly, there are also differences: as regards EMU, the "reward" for complying with the Maastricht criteria has been entry into the EURO-club. In the field of employment, there are no similar rewards but at stake is the credibility of employment policy and the political pressure which results from failure to achieve the criteria. Experience has shown that peer pressure can be as effective as legal or market based sanctions.
- Secondly, the Luxembourg Process has launched the yearly country surveillance and monitoring mechanism, envisaged in the Treaty. This mechanism is based on **national action plans**, which the Member States pre-



## THE FOUR PILLARS

### **Employability:**

*How to cover the skills gaps in Europe and create attachments to the world of work for the young and long-term unemployed and other groups who are less competitive in the labour market so they don't drift into exclusion;*

### **Entrepreneurship:**

*How to create a new entrepreneurial culture and entrepreneurial spirit in Europe by encouraging self-employment, cutting red tape, reforming taxation systems and identifying new sources of jobs especially at local level and in the social economy;*

### **Adaptability:**

*How to strengthen the capacity of workers to meet the challenges of change and how to change the organisation of work in such a way that structural adjustment can be managed and competitiveness maintained. This means also investment in lifelong learning and reforming contractual frameworks to take into account new emerging forms of work;*

### **Equal opportunities:**

*How to create conditions where men and women have equal responsibility and opportunities in family and working life, and how to respond to the demographic challenges which require us to maintain conditions for growth through high female participation in the labour market.*



pare and on which they are required to report. The Commission will assess whether the Member States comply with commonly set objectives and the Council, after examination of each Member State, may issue recommendations on qualified majority. This surveillance mechanism also includes a yearly revision of the employment policy guidelines along the lines of the procedure used for the broad economic policy guidelines.

- Thirdly, a **management by objectives** approach has been introduced in the EU. This means that the employment policies in the Community must be based on quantified or otherwise specific objectives and targets. Lack of such clear objectives was the main flaw of the previous strategy. This implied that there was no risk of failure, but also there was no benefit of success, as progress could not be evaluated on the basis of general declarations.
- And finally, it is an **integrated** approach requiring simultaneous action across a number of policy fields, instead of isolated measures and "quick fixes". It also requires an effective linking of national and European financial instruments, such as the ESF, to support the measures envisaged.

There are a number of underlying objectives of the new European employment strategy, pursued through the employment guidelines and the national action plans. They aim to:

(1) construct a European employment model, which is based on the achievement of employment rates equal to or higher than those of our main competitors, the US and Japan. This would mean raising our current rates from 61 to at least 70%;

(2) shift the focus from a mere fight against unemployment towards the promotion of employment growth. The provision of more and better jobs is not only the most effective way to combat unemployment, it is also the most effective social protection.

(3) move from curative to preventive policies for the jobless. This requires reform and development of employment policies and services in such a way that those who become unemployed are not required to wait until deskilling and marginalisation set in, but risk groups are identified early and measures are taken early on to prevent an inflow into long-term joblessness;

(4) switch from passive to active measures. This implies the reform of social protection systems so that they become more employment friendly and encourage active search for work or workers rather than idleness and a push of older people into early retirement;

(5) promote partnership. The employment policy is not, and cannot be, the sole responsibility of governments. Social partners, regional and local actors, NGO's and individuals have their own role to play, their own contribution to make. This is why the employment guidelines contain objectives which are especially directed towards the social partners in particular.

The employment policy guidelines are based on four pillars which constitute the framework for the Member States' action in the next few years. Action is required simultaneously under each of them, sole reliance on one pillar is not sufficient and will not produce the expected results (see box on page 14).

The four pillars are broken down into 22 individual guidelines, consisting of three European and a number of national objectives. If the Union Member States, social partners and other actors comply with them, they should reach the next millennium better armed to address the challenges of globalisation, structural change and employment.

Since this is a medium-term strategy we will not know until later whether the ambitious objectives will be met by the target year of 2002. But there is no doubt that the new European strategy has made policies to move and enhance the coherence, quality and accuracy of the policy mix. In particular, it is evident that:

- the Member States have demonstrated their commitment to keep up the momentum. Peer pressure and benchmarking at the European level are recognised as tools to help the Member States generate more and better jobs. This is a major change, as only two or three years ago the very need for an European approach to employment was called into question;
- the European employment strategy has made policy-making more transparent through the national action plans and their approval process;
- there is more political accountability by virtue of the public nature of the procedures and the quantified and verifiable objectives;



- there is increased involvement by all partners in the preparation and delivery of employment policy, through a better understanding of a shared responsibility;
- a new decision-making culture is emerging, such as employment policy coordination structures across government departments, consultative mechanisms with the social partners etc;
- there is a clearer link between employment strategies and financial support structures at national level, such as ESF funding, which is no longer considered as a world apart;
- there is considerable progress in the definition of common indicators and development of new statistical tools to enable a comparable verification and examination of progress;
- there is a clear move towards a more comprehensive and coherent policy mix, focused on prevention of unemployment and activation of public spending rather than the traditional approach of focusing on remedial action and passive benefits for the unemployed.

Leaders of many Member States have been at the forefront in coordinating and implementing the European employment strategy. The national action plans have been integrated into the political programmes of some newly-elected governments, and at least one country's plan has been put as a bill before Parliament.

But there is more to do. More progress must be achieved in moving from a "Christmas tree" proliferation of individual stop-gap measures towards the required strategic approach, where efforts are geared towards areas where they are most needed and most effective. The indicators must also be further developed to include new areas in the comprehensive evaluation. Beyond governments, other players, such as the social part-

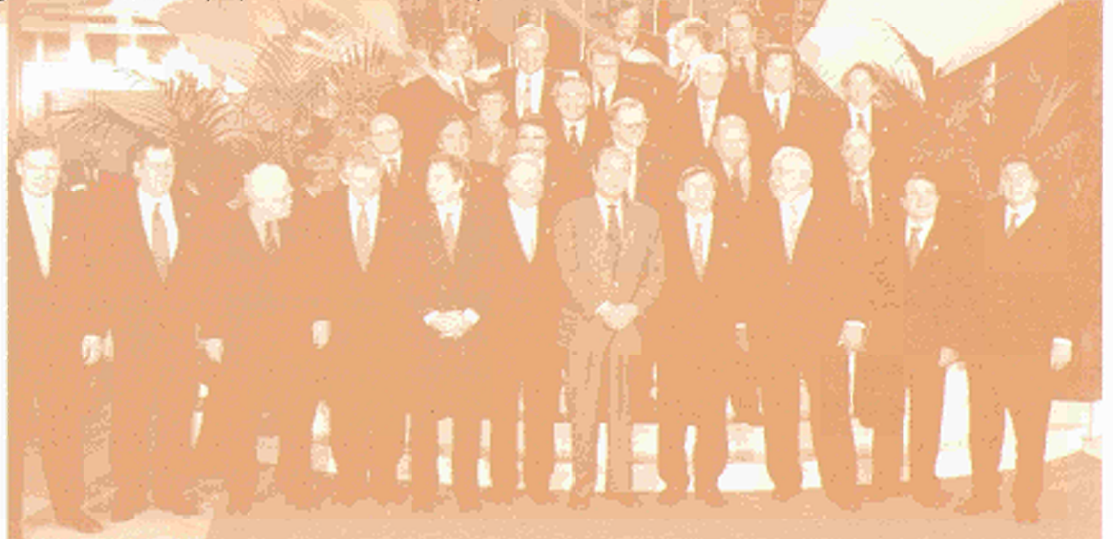
ners, must also fulfil their responsibilities and speed up the modernisation of working life to be able to meet the challenges of the next decade.

So there is no room for complacency. In order to reach, by 2002, the ambitious employment objectives set by the Strategy and to ensure a prosperous, competitive and socially just Europe, the Member States must not only consolidate the achievements but strive harder to reach the benchmark levels of Europe's main trading partners. This must be done within a framework of policies promoting high levels of growth and moderate inflation supported by employment friendly wage developments.

In particular, the European Employment Pact agreed at the Cologne European Council, provides a framework for involving all the relevant parties in a more effective macroeconomic dialogue to help the employment process. The pact is also expected to help dovetail the various processes created at European level over the last few years, namely the economic policy coordination (Cologne Process), an integrated employment policy (Luxembourg Process), and product, service and capital market reform (Cardiff Process).

If we can manage to fill these processes with concrete objectives and commitments, and keep up the momentum of progress towards more coherent and integrated policy making, we can enter the next millennium with more confidence than we experienced during the first years of this decade.

The Luxembourg Process has demonstrated that such a quantum leap in policy making is possible: it may well turn out to be the key achievement (besides EMU) made in the European Union over the last five years.

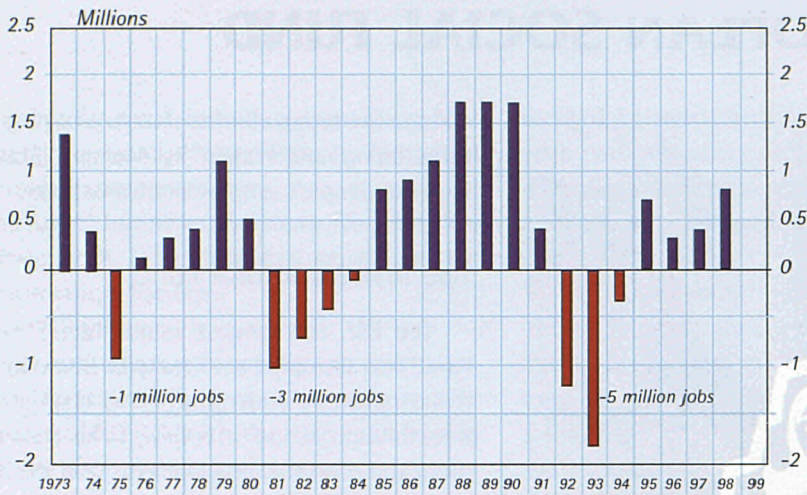


EU leaders meeting at the Luxembourg European Council in December 1997



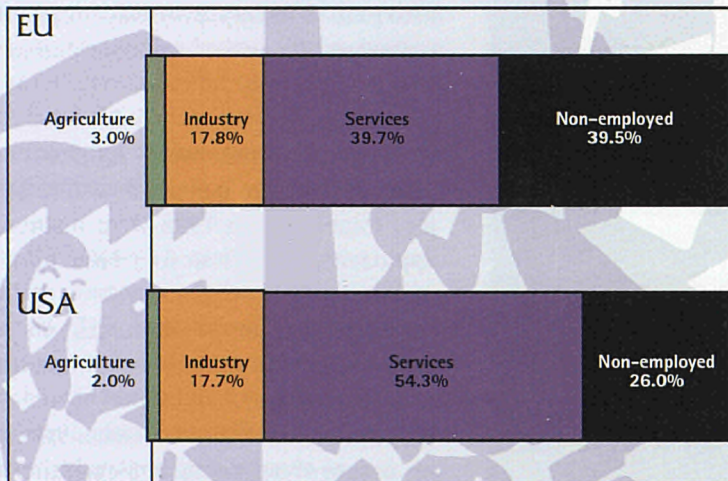
# Job gains and losses

EU 15 - 1973-1999



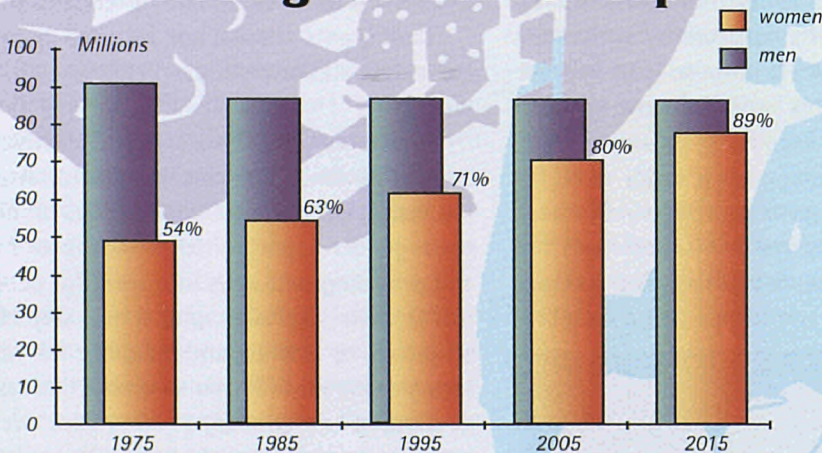
## Employment by sector

As a share of total working age population



- employment is substantially higher in services in the US than in the EU - the difference amounts to 36 million jobs
- employment is somewhat higher in agriculture in the EU (2<sup>1/2</sup> million jobs)

## Closing the Gender Gap



- The percentages represent the share of women's employment compared with men's employment

Note: Projections based on change in employment of women and men over the period 1985-95. Figures for 1975 and 1985 adjusted to allow for the new German Länder

More information about The European Employment Strategy can be found at:

[http://europa.eu.int/comm/dg05/empl&esf/ees\\_en.htm](http://europa.eu.int/comm/dg05/empl&esf/ees_en.htm)



# THE EUROPEAN SOCIAL FUND



"I would like to stress the strategic importance of the Social Fund as the main financial instrument at EU level for supporting human resource development; the importance of human resources as a key element in the future enlargement of the European Union; and the role that the Social Fund has as a laboratory for innovative measures in the field of job creation...."

*Pádraig Flynn*

*ESF Congress, Birmingham May 98*

## A fund for people

The European Social Fund (ESF) is one of the main financial instruments through which EU money is disbursed. Its particularity is that the ESF invests in people. Its purpose is to improve the prospects of those who face the greatest obstacles in finding, keeping or regaining work. The ESF provides funding on a major scale for programmes which develop or regenerate people's employability by providing them with the right skills, both for work and for social interaction, improving self-confidence and adaptability in the job market.

The ESF is the main vehicle for the European Union to translate its employment policy aims into action. It works like this: Member States make programme proposals to the Commission in relation to the objectives set by it. In the six years 1994-99 the ESF, which operates in all Member States, will have made available €47 billion or almost 10 % of the European Union's total budget. Through a joint-funding principle, the ESF

adds to the scope and the impact of active measures being undertaken by Member States to increase people's employment prospects.

## The first Structural Fund

The ESF, the longest established Structural Fund, was set up by the Treaty of Rome in 1957. It has naturally undergone many changes since then through periodical reviews to keep pace with social and economic developments, and the changing nature of the EU's policies and mandate. The major reform adopted in 1988 for the 1989-93 period radically changed the largely isolated way in which the Structural Funds had previously operated so as to integrate the way they work together towards the goal of economic and social cohesion.

New Objectives were set for the period 1994-99, but the general structure and principles established in 1988 were maintained: this approach was built on four basic principles:

- **concentration** of resources on a limited number of Objectives and on the least developed regions;
- **partnership** with the Member States in all the phases of designing, implementing, monitoring and evaluating the operations;
- **programming** the activities through a global and coherent approach;
- **additionality** of the Structural Funds resources: this is a technical term that refers to the fact that grants should not be used merely to replace national funds.

In addition, there was a new **Objective 3** on combating long-term unemployment, integrating young people into working life, promoting equal gender opportunities in the labour market and providing pathways into work for people at risk of social exclusion, plus a new **Objective 4** on providing training and guidance for workers facing change in industrial or production systems, developing or improving training structures and anticipating industrial change.

Two specific Community initiatives were operated during the 1994-99 period which were to support transnational projects in developing innovative approaches to the themes financed under the ESF :



- the **Employment Initiative**, comprising four thematic strands: Now, Horizon, Youthstart and, later, Integra;<sup>(1)</sup>
- the **Adapt Initiative** complementing the new Objective 4, later expanded to include the Information Society.

A special initiative for peace and reconciliation in Northern Ireland was also approved for the period 1995-99 with the ESF contributing nearly 45 % of the total allocation.

## Implementation

A total budget of nearly ECU 156 billion was allocated for structural assistance for the period 1994-99 – a massive increase on the preceding period. The ESF accounted for some 30 % of total Structural Fund aid. Almost half of the ESF budget was targeted to regions with lagging development (Objective 1).

During the 1994-99 period provision was made for operational activities to be assessed and re-programmed. The mid-term evaluation was undertaken in 1997, and a major conference held in Birmingham in May 1998, followed by a report on the ESF evaluation process. These allowed stock to be taken of how the programmes were doing and acted as a catalyst for further policy thinking and development.

The various reports gave an insight into the approaches being taken in the Member States.

In the poorer regions (Objective 1) programmes, according to the mid-term report, were being focused on short-term unemployed or qualified young people and the report suggested that more should be done to target the disadvantaged and long-term unemployed.

The report recognises that ESF programmes in Objective 1 regions were perceived as a catalyst for the modernisation of labour market policies. In particular, programmes designed to strengthen education systems were proving especially useful.

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In the funding for Objective 3 it was clear that the majority of initiatives were aimed at training schemes, with young people the primary target. As a consequence programmes were re-adjusted towards additional support for the long-term unemployed, the disabled and others with difficult entry into the labour market

## Looking ahead – The Revised ESF 2000-2006

When European leaders signed the Treaty of Amsterdam in July 1997, they agreed to put employment at the centre of Europe's policy agenda and to coordinate national jobs policies within a European employment strategy (EES). The ESF had always supported the policy objectives incorporated in the Employment Guidelines (see previous article). This link is now formalised in the Treaty. The four pillars of the Employment Guidelines are clearly recognisable in the current priorities of the Fund and, many Member States have already taken action to better integrate ESF support into their mainstream labour market policies and annual national action plans for employment.

In the new Regulation the ESF will become the main financial instrument at Community level for the employment strategy, and will gear its huge

*(1) targeting respectively women, disabled people, young people without qualifications, and people who are excluded or at risk from exclusion*







## The ESF in practice

### Azores Project

*PROFIJ is a youth training and integration programme in the Azores, which has benefited almost 400 youngsters over the past year. The programme seeks to make the transition from education to employment more flexible and improve ways of identifying individuals' skills.*

*By delivering comprehensive training, PROFIJ aims not only to prepare people to do a job efficiently but to equip them with the core skills needed to get into the labour market successfully. Trainees are also encouraged to view vocational training as a lifelong process, where skills are developed over time.*

*The training scheme has three components:*

- *general subjects (Portuguese, a foreign language, world affairs etc)*
- *scientific and technological development which includes subjects relating to cognitive, socio-communicative and technical skills.*
- *Learning at the workplace, carried out under the supervision of a tutor specialised in the trainee's occupation.*

*Trainees normally study the first two components for three days a week in a teaching establishment and train in-house for two days with a firm.*

## The ESF in practice

### Finland

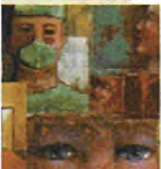
*Metallurgy and electronics now account for around 50% of Finnish exports. As a result of this rapid expansion, the country's training institutes barely produce enough new graduates to keep pace with the sector's basic replacement requirements, leading to an acute shortage of skilled labour. A 1998 survey revealed there were 800 job vacancies for skilled workers in the Pirkanmaa region, whilst at the same time 2,600 people in the region with backgrounds in the mechanical engineering industry were unemployed.*

*With ESF support, a programme has been developed to restore balance to the region's labour market. Run jointly by the Economic Development Centre for Pirkanmaa and local industry, the Tammermet project aimed to identify the recruitment needs of participating companies, to train at least 600 job-seekers and to find work for 80% of them by the end of 1997. The project uses advertising campaigns to attract job-seekers, and to encourage businesses to sponsor trainees. Candidates are chosen by these sponsors from the resulting pool of eligible individuals. Training is then sourced and tailored to suit the abilities of the individual candidate and to meet the specific needs of a business. On-site training is an integral part of these practical apprenticeships with companies contributing up to 30% of the tuition costs.*

*To date, 60 of the region's 700 metal industry enterprises have participated in the scheme. By September 1997, 80 individuals had graduated from training institutes, while another 120 were still in training. Of those who have completed the courses, 80% are still employed. This successful scheme has encouraged the region's employers to develop a pool of appropriately skilled workers to restore equilibrium to the sector's labour market, thereby helping safeguard the future of the industry.*

*Project period: 1995-99*

*Total ESF Finance: € 1,369,314*





potential, both in terms of policy focus and financial scope, to supporting the accompanying National Employment Action Plans. The structure of the new ESF, outlined below, shows the areas of intervention laid out for the ESF, which are brought into line with the four pillars of the Employment Guidelines (see page 16).

Under the new Regulations, EURO 195 billion is allocated to the Structural Funds for the seven-year period 2000-2006 for three Objectives:

- Objective 1 (approx. 70 % of the total budget) for the poorest EU regions;
- Objective 2 (approx. 11.5 %) for the economic and social conversion of areas facing structural difficulties;
- Objective 3 (approx. 12.5 %) to support the adaptation and modernisation of policies and systems of education, training and employment everywhere outside Objective 1 regions.

The new ESF Regulation sets out five policy priorities on which operational programmes have to focus :

- developing active policies to combat unemployment, preventing long-term unemployment and providing support for those entering or re-entering the job market;
- promoting social inclusion and equal opportunity for all;
- developing education and training as part of a policy for lifelong learning;
- promoting a skilled, trained and adaptable workforce, fostering innovation in work organisation, supporting entrepreneurship and job creation, boosting human potential in research, science and technology;
- improving the participation of women in the labour market.

The Fund will mainly focus its support on assistance given to **people**, with the emphasis on training and skills development, but it can also provide support for **systems** to develop and improve education, employment services, links between work and education, and schemes which assess changes in the world of work. It can also pay for care services, support for pathway approaches and awareness-building and information.

An important new element in the new period will be the requirement for Member States to set

aside "a reasonable amount" of funding for small grants, with special access conditions for NGOs and local partnerships.

An important new Community initiative will come into being – EQUAL – and this will be the single EU instrument whose purpose will be to support innovative trans-border programmes across the whole field of policy covered by the Employment Pillars and the ESF Guidelines.

For more details on what the ESF is doing in your country and across the Union, go to <http://europa.eu.int/comm/dg05/esf/en/index.htm>





# INDUSTRIAL RELATIONS AND LABOUR LAW



The last few years have seen major advances in the involvement of employer and employee organisation in EU policy making, and in creating a sound basis for structural change and adjustment.





## 1. The social dialogue at Community level

### 1.1 Remoulding and adapting the structures of the social dialogue

Europe has always recognised the role of employer and employee organisations as one of the foundations of democracy. The development of Europe as a political force has therefore required new mechanisms of exchange and dialogue with those who are involved on a daily basis with economic and social change.

This involvement has taken the form of participation in a number of bodies with a consultative role, such as the cross-industry advisory committees and the joint committees. It was subsequently consolidated by the 'Val Duchesse' process, which involved social partners at European level in a series of bilateral exchanges and reciprocal agreements.

It has since been given a further boost by the introduction into the Treaty of specific provisions involving the European social partners in agreeing on Community social standards and in implementing negotiated agreements.

Today, the social partners have several avenues for influencing Community developments.

They are consulted by the Commission at both cross-industry and sectoral level, providing input on social policy, and in particular on the European employment strategy, on vocational training, commercial policy and specific topics relating to a particular sector or matters within their particular field of competence (such as the fight against racism, or the integration of people with disabilities).

They can also express their views to the Council during the meetings of the Standing Committee on Employment, those of the Informal Labour and Social Affairs Council and the periodical meetings with the troika of the Heads of State and Government.

Since its creation, the European Central Bank has had several meetings with the social partners. These exchanges should take on a more structured form in line with the decisions taken in Cologne on the development of an 'economic' dialogue.

### 1.2 The emergence of industrial relations at European level

Although the influence of the social partners can be measured by their ability to affect Community-level decision-making, their primary role is to seek to improve working conditions by negotiating agreements. At European level, collective bargaining is slowly emerging as a force under the aegis of Articles 138 and 139 of the Treaty of Amsterdam and as a result of the determination of the social players to make use of their contractual prerogatives.

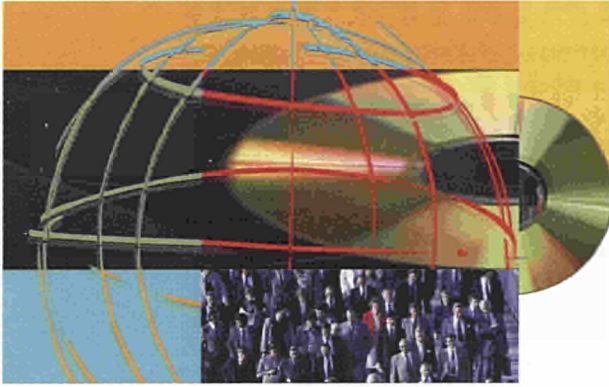
In line with the new Treaty's provisions, the social partners have been consulted in six instances on general Community legislative proposals. As a result of this, they have embarked on three sets of negotiations, resulting in three framework agreements: one on parental leave signed in December 1995, one on part-time work signed in May 1997, and another on fixed-term work signed in March 1999. These three agreements were submitted to the Council for legislative implementation at the joint request of the signatories.

The sea and rail transport sectors have entered into specific negotiation on workers not covered by Directive 93/104/EC on the organisation of working time. The agreements reached have enabled the provisions of the Directive which did not cover them to be applied to mobile workers.

In agriculture, an agreement was concluded in July 1997 on shorter working hours. It is a voluntary agreement instigated by the relevant employers' and employees' organisations and aimed at improving the working conditions of agricultural employees. This will be the first European agreement to be implemented by the signatories on a voluntary basis by integration into the collective national agreements.

In line with Directive 94/45/EC on the establishment of a European Works Council or a procedure in Community-scale undertakings and groups of undertakings for the purposes of informing and consulting employees, more than 600 voluntary agreements have been signed.





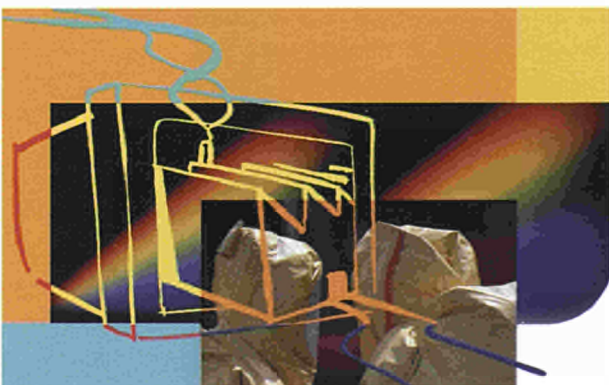
These are important developments. As far as the future is concerned there is a need to examine the pace at which European level industrial relations should be expanded. The Commission has called on the social partners to deepen their involvement and develop their own initiatives. It has also invited the social partners to draw up a work programme identifying the key issues covered by their contribution to the European employment strategy.

## 2. Labour law

During the last five years, the Commission has built on the existing provisions covering social rights.

New requirements have been taken into consideration in discussions on the future of European social policy and the question of employment. In a rapidly changing world, where there is less job security and need for change and adaptation, it is important to establish a balance between flexibility and job security. Both sides of the economy, employers and employees, have a central role in finding this balance.

One of the major issues to be addressed is the rights of workers at European level in the face of globalising production processes. Another issue is the use of the new Treaty provisions on the implementation of the agreements signed at European level by a Community legal instrument.



Worker information and consultation has been an important element in the provisions tabled by the Commission. Industrial relations have evolved during the past few decades, bringing greater involvement of employees and their representatives at different management levels. Because employees are party to change, they need to be consulted about important decisions concerning their future.

Council Directive 94/45/EC of 22 September 1994 on the establishment of a European Works Council or a procedure in Community-scale undertakings and groups of undertakings for informing and consulting employees provides for mechanisms to inform and consult employees in firms with more than 1000 employees located in at least two Member States. A special negotiating body representing the businesses concerned has been given three years to implement the Directive by means of negotiated agreements.

The proposal for a Council Directive (COM(98)612) establishing a general framework for informing and consulting employees in the European Community aims to extend the practice of actively involving employees in the life of their company in all businesses with more than 50 employees. The proposal also provides for an obligation to inform and/or consult workers on economic issues, which are particularly strategic in a context of rapid industrial change.

Pursuant to Council Directive 93/104/EC on the organisation of working time, a number of proposals have aimed to address the sectors which it does not cover. In particular, they are intended to protect workers not currently covered by the Working Time Directive against adverse effects on their health and safety caused by working excessively long hours, having inadequate rest or disruptive working patterns.

On 30 September 1998, formal agreements were signed on working time in rail and maritime transport. In the case of rail, the social partners agreed that the Working Time Directive should be applied to all railway workers, with suitable adjustments to the derogations, provided that similar provisions were applied to other transport sectors at the same time; and that these provisions should be applied through legislation.



In the case of seafarers, the parties asked the Commission to make a proposal for the agreement to be implemented by a Council Decision in accordance with Article 139 of the Treaty.

Parliament and Council Directive 96/71/EC on the posting of workers who are providing services aims to remove the uncertainties and obstacles which may impede the free movement of services by increasing legal certainty and allowing identification of the terms and conditions of employment applying to workers who temporarily perform work within the EU but outside the Member State whose law governs the employment relationship.

Three framework agreements (Directives 96/34/EC of 3 June 1996 on parental leave, 97/81/EC of 15 December 1997 on part-time work and another of July 1999 on fixed-term work) implement the accords negotiated by the social partners under Article 139 of the Amsterdam Treaty. The latter two agreements aim to protect part-time and fixed-term workers from discrimination and to improve the quality of this type of work.

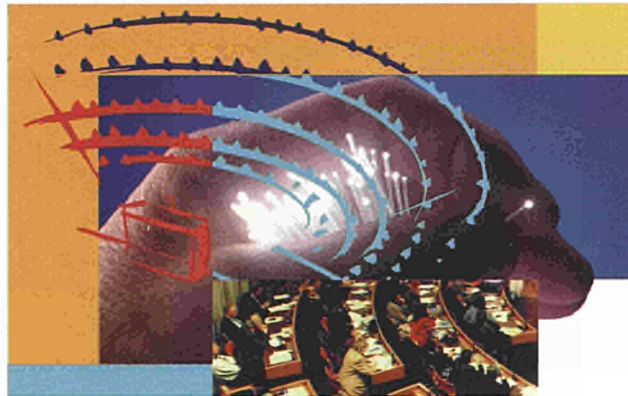
### 3. Modernisation and changes at work

#### 3.1 The economic and social consequences of industrial change

The increasing globalisation of production and markets expands businesses' spheres of activity, increases competition and demands a considerable effort of adjustment. Businesses close or transfer their activities elsewhere, sometimes to benefit from lower labour costs, sometimes to conquer new markets. It is also a challenge for the Community to anticipate and manage the economic and social consequences of these changes in everyone's interest.

A high-level group of experts was set up at European level to analyse industrial change. Known as the "Gyllenhammar Group" after its Chairman, it was instructed by the European Council to analyse the industrial changes likely to take place in the European Community and to investigate the options for anticipating them better. The group presented its final report at the Vienna European Council (December 1998), stressing the importance

of the social dialogue in "managing change", proposing the creation of an observatory to collect and disseminate information on industrial change at European Union level, and encouraging major European companies to draw up reports on the matter.



#### 3.2 Preparing the Information Society

The new industrial revolution currently underway is producing extremely rapid changes in jobs, technology and skills. During the last twenty years, the revolution in information and communication technology has had a major impact on the way in which goods and services are produced and distributed, and thus also on work itself. These developments are radically altering the nature of work and its organisation, qualification structures



and business organisation. All these changes raise fears about job security, work content and the obsolescence of qualifications, but also raise hopes for the creation of new, skilled, quality jobs.

The information society industries have become one of the biggest and fastest growing sectors of the European Union economy. IT is creating new jobs, new opportunities, new products and new services, that are driving economic





pattern of private and occupational life, and equal treatment in order to promote more productive work organisation.

More information can be found at the following website on Europa:

[http://europa.eu.int/comm/dg05/socdial/index\\_en.htm](http://europa.eu.int/comm/dg05/socdial/index_en.htm)

growth and enhancing competitiveness. However, the potential can only be maximised if Europe ensures an enterprise culture, adaptability and organisational change, combined with higher levels of skills and technical literacy.

This can be achieved with concerted action at all levels - Member State, social partners and the IT industries - against a set timetable with monitoring and benchmarking of progress made to ensure that the EU derives the full potential of the information age. The Commission will present a report on progress made, with recommendations for future action in all policy areas of importance, at the European Council in Helsinki in December 1999.

### **3.3 Modernising the organisation of work**

In a communication on modernising the organisation of work (December 1998), the European Commission proposed to the institutions and the social partners that they adopt an approach based on partnership closely linked to the employment strategy, and called for the social partners to take a leading role. The Commission underlined the gains in productivity to be made from a better organisation of work and stressed the importance of reconciling the needs of firms for flexibility and the "needs of workers for security in change".

The organisation of work is thus at the core of efforts to modernise the employment relationship. In future, employment will involve a deeper consideration of the different aspects of life (work, family, leisure, training), a concerted effort to improve the quality of employment and of the working environment and greater employee involvement in the life of the company.

The partnership between the social players and the search for greater balance between flexibility and security form the basis for a new compromise combining vocational retraining, a new





## PUBLIC HEALTH

Bordeaux, France. Customs officers escorting nearly 5 tonnes of cannabis resin, seized over a three-year period, to an incinerator

### The role of the EU

People in the EU are now living longer and leading healthier lifestyles than ever before. A range of indicators ranging from life expectancy, infant mortality and maternal mortality confirm the trend. However there are new factors, such as the ageing of our society, or the emergence of previously rare diseases, which require the increasing involvement of EU and Member States working together.

The European Community has dealt with health issues for four decades. Both the Treaty on the European Coal and Steel Community and the Euratom Treaty referred to health and contained several provisions, for example, restricting free movement of goods on health grounds and to the health and safety of workers. The Single European Act introduced further areas of health-

related work such as a large-scale research programme and the development of health and safety at work legislation. However, it was only with the Maastricht Treaty, with its new public health provisions, that the Community had the opportunity to develop a coherent public health strategy.

In response to these new provisions, the Commission set out a framework for action in public health in a communication published in November 1993. This described the strategy to be pursued and measures to be put forward by the Commission.

### The main achievements 1993-99

- After analysing the 1993 communication, the Commission proposed the development of eight public health action programmes. Of





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these, five have been adopted. The action programmes on AIDS and other communicable diseases, cancer, drug dependence and health promotion have been underway since 1996; the fifth programme, on health monitoring was adopted in June 1997. The drug dependence programme is linked with other political and legislative measures, including the establishment of the European Monitoring Centre for Drugs and Drug Addiction. A coordinated approach to combating demand for and supply of drugs has

been agreed with the Member States and is laid down in a European Union action plan to combat drugs. For the remaining three programmes, on pollution-related diseases, injury prevention and rare diseases, the Commission put forward proposals during 1997 for decision by the European Parliament and the Council. These are still under discussion.

- A seven-point strategy was developed to bolster trust in the safety of the blood transfusion chain and promote self-sufficiency in the Community. On a Commission proposal, the Council adopted a recommendation on the suitability of blood donors and the testing of donated blood. Three reports were also published on blood self-sufficiency in the European Community. At present a draft proposal for a directive setting high standards of blood quality and safety is being prepared. Furthermore a proposal for a Council recommendation on the optimal use of blood under consideration.
- In 1995 the EU-US Task Force on Communicable Diseases was set up under the New Transatlantic Agenda. Its mandate was to "develop and implement an effective global early warning system and response network for communicable diseases". The work of the Task Force on the EU side is linked with that of the network for the epidemiological surveillance and control of communicable diseases that was established in the Community in 1998 by Decision 2119/98/EC and which came into force on 3 January 1999.
- Much attention has been given to measures to reduce, discourage or prevent tobacco consumption. A variety of preventive and legislative steps have been taken. On the prevention front, a number of projects have been supported. On the legislative side, Council and Parliament have adopted a Directive to ban tobacco product advertising and promotion. The legal basis for this Directive is the old Article 100A (new Article 95). In December 1996 the Commission published a communication which set out a series of proposals for action on tobacco control. In addition, a report on this theme is currently being forwarded by the Commission to the European Parliament and Council.
- The Commission published two reports on the state of health in the European Community. The first one presented a general overview of health in the Community at the end of 1994. The second one focussed on the state of women's health in the Community. In addition, the Commission has also produced regular reports on the integration of health protection requirements in other Community policies.
- A Council recommendation on limiting the exposure to electromagnetic fields was adopted on the basis of a Commission proposal.
- Four Commission working papers on Transmissible Spongiform Encephalopathies (TSEs) were published in order to assist the Council and other Community Institutions in their ongoing discussions about the public health aspects of TSEs. The latest document covered Community measures and proposals since the last working document of December 1997, as well as an update on Creutzfeldt-Jakob Disease (CJD) epidemiological data from the Member States.
- Work has also been carried out on key developments in health systems, such as reforms. This has covered evaluation and health technology assessment, as well as quality assurance, priority setting and activities related to health impact assessment.
- In addition to the EU-US Task Force, the Commission - acting in accordance with the Treaty - has fostered its cooperation with non-member countries and the relevant international public health organisations, such as the World Health Organisation and Council of Europe.
- A Commission staff working paper was presented to the Council on health and enlargement. It helps to identify potential issues related to health and accession.



## Public Health after 2000

The Amsterdam Treaty, which came into force on 1 May 1999, strengthened the Community's public health remit (Article 152 – see page 30). To prepare for this new situation, the Commission last year reviewed the existing framework and assessed how well it addressed important developments (see opposite). The Commission's communication of 15 April 1998 on the development of public health policy in the Community sets out its conclusions. One of these is that the principles and underlying philosophy of the 1993 communication on the framework for action in public health remain valid. Priorities, structures and methods, however, all need overhauling to ensure that policy and action are effectively implemented.

The 1998 communication set out a conceptual teamwork for a new Community health policy, based upon three strands of action:

- improving information for the development of public health,
- reacting rapidly to threats to health,
- tackling health determinants through health promotion and disease prevention.

Issues related to enlargement, and to the integration of health requirements in Community policies, would be dealt with by all three strands.

The responses to the communication both from the Community Institutions, Member States and interest groups have been very positive and supported the Commission's line. The comments received from the Council, the European Parliament and other endorse and support the option of basing the future policy on a single public health programme. This should be structured around the three strands of action outlined in the 1998 communication. Moreover, it should concentrate on supporting large-scale operations involving Member State authorities and recognised representative partners at Community and Member State level. Last but not least the actions would be linked to policy development and aim to produce sustainable long-term Community structures and legislative instruments.

Internet address:

[http://europa.eu.int/comm/dg05/phealth/index\\_ph.htm](http://europa.eu.int/comm/dg05/phealth/index_ph.htm)

## Important developments over recent years

Emerging health threats: for example, Transmissible Spongiform Encephalopathies (TSE), Creutzfeldt-Jakob disease (CJD) and its new variant (nvCJD).

Increasing pressures on health systems: rising costs due to demographic factors, new technologies and increased public expectations, system reforms, greater efficiencies and increased competition.

The enlargement of the Community and its possible consequences for the health status and systems of the existing Member States.

The new public health provisions in the Treaty of Amsterdam (Article 152).

The experience gained in the implementation of the public health programmes.



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## The Amsterdam Treaty – Article 152

A high level of human health protection shall be ensured in the definition and implementation of all Community policies and activities.

Community action, which shall complement national policies, shall be directed towards improving public health, preventing human illness and diseases, and obviating sources of danger to human health. Such action shall cover the fight against the major health scourges, by promoting research into their causes, their transmission and their prevention, as well as health information and education.

The Community shall complement the Member States' action in reducing drugs-related health damage, including information and prevention.

The Community shall encourage cooperation between the Member States in the areas referred to in this Article and, if necessary, lend support to their action.

Member States shall, in liaison with the Commission, co-ordinate among themselves their policies and programmes in the areas referred to in paragraph 1. The Commission may, in close contact with the Member States, take any useful initiative to promote such coordination.

The Community and the Member States shall foster cooperation with third countries and the competent international organisations in the sphere of public health.

The Council, acting in accordance with the procedure referred to in Article 251 and after consulting the Economic and Social Committee and the Committee of the Regions, shall contribute to the achievement of the objectives referred to in this Article through adopting:

Measures setting high standards of quality and safety of organs and substances of human origin, blood and blood derivatives: these measures shall not prevent any Member State from maintaining or introducing more stringent protective measures;

By way of derogation from Article 37, measures in the veterinary and phytosanitary fields which have as their direct objective the protection of public health;

Incentive measures designed to protect and improve human health, excluding any harmonisation of the laws and regulations of the Member States.

The Council acting by a qualified majority on a proposal from the Commission, may also adopt recommendations for the purposes set out in this Article.

Community action in the field of public health shall fully respect the responsibilities of the Member States for the organisation and delivery of health services and medical care. In particular, measures referred to in paragraph 4(a) shall not affect national provisions on the donation or medical use of organs and blood.





## HEALTH AND SAFETY AT WORK

Since the mid seventies a solid body of EC safety and health legislation has been established and this major building block of the European Union has brought both social and economic benefits for the Community and its citizens. The protection of workers' health and safety is one of the cornerstones in achieving Treaty objectives for improving working and living conditions. EU provisions for health and safety at work also ensure a level playing field for businesses in realising the growth and employment potential of the single market.

However, despite the fact that this legislation covers all workers, particularly those exposed to greater risks, there are still significant numbers of work accidents and occupational diseases. The costs, both to the individual in terms of human suffering and to the economy of Member States, is considerable. On purely economic grounds, various estimates have put the costs of work accidents and occupational diseases at between 1.5 and 4% of GDP. These costs are all the more regrettable as all work accidents and occupational diseases are preventable.

The above considerations were taken into account by the Commission when adopting its most recent Community programme for safety, hygiene and health at work (1996-2000). It was designed to help with the implementation of existing law and to give more emphasis to non-legislative measures.

A mid-term progress report on activities under the programme was adopted by the Commission on 3 September 1998. It takes stock of the major achievements and outlines the approach to be taken up to 2000 in light of the current situation in the Union.



First casting at the Clabecq steelworks, Tubize, Belgium.



## What's been achieved

- A new European Agency for health and safety in Bilbao. Its job is to supply information on working conditions and on health and safety in the workplace. It will be working closely with the European Foundation for the improvement of living and working conditions in Dublin, which has drawn up a complementary work programme 1998-2000. The Bilbao agency will act as a source of scientific, technical and economic information.
- Incorporation and updating of existing legislation. In 1996, only about 74% of directives adopted under Article 118A had been incorporated into national law. The figure now is 98%. So Community laws (see page 34) are now a fact of life for the citizen. Where the Commission has established partial or complete failure to incorporate European law, it has launched infringement proceedings. The Commission also streamlined and consolidated existing directives with fresh updates to take account of new risks and technical and scientific developments. As a result, six directives have been adopted by the Commission since 1996 and a further three proposals are on the table (page 34).
- The SAFE programme. A proposal for a decision adopting a programme of non-legislative measures to improve health and safety

at work (SAFE) went before the Council in 1995. SAFE was planned to provide funding for guidance and information on the proper way to implement legislation and gave particular attention to health and safety in small and medium-sized firms. The proposal was amended in 1997 after consulting the European Parliament and was discussed on several occasions in Council without ultimate agreement. Nevertheless, a number of preparatory and pilot projects have been cofinanced to help accommodate the special needs of these firms, to get best practices benchmarked as a way of developing a safe, productive and competitive working environment, and to make headway in the correct and effective implementation of the relevant laws.

## Looking ahead to the new millennium

- **More effective laws.** Community legislation in this field is up to date and wide-ranging. The Commission is now looking at whether national laws comply with European laws. Proper incorporation has to be matched by proper implementation and correct application in the workplace. For each country, the Commission will check whether this is happening from reports that Member States have to present and from its own assessment. Better laws require a good set of "tools" such as the assistance of working committees (labour inspectors and social partners) as well as the use and development of Community indicators (European statistics on accidents at work - ESAW - and occupational diseases - EODS).
- **Preparing for enlargement.** One of the key principles in the Commission strategy for Agenda 2000 is that applicant countries must take on board the Community acquis as soon as they join. Health and safety at work is a major area here and it's important to note that prospective Member States will have to make considerable financial and administrative efforts to get their health and safety levels up to Union standards. Through the accession partnerships, the Commission will assess how well they are all doing and support their efforts - in part by using the Phare and Taiex programmes - as part of a stronger pre-accession strategy.
- **Strengthening the link with employability.** A good and safe working environment is impor-





tant for people to remain healthy and productive. It also gives businesses a competitive edge. Increasingly, the quality and organisation of work are determining factors in securing a skilled and motivated workforce and in developing human resources generally. Sustainable employment growth and better employability are two of the major concerns of the European employment strategy agreed at the Amsterdam and Luxembourg Summits. Measures to improve health and safety at work are a major contribution to employability.

- Ensuring good working conditions in a time of change. The labour market is changing. A major trend is the shift towards a service economy, which poses new challenges for health and safety. Similarly, the proportion of working women is steadily on the increase and this throws up certain specific requirements of its own as does the ageing of the workforce, which means people stay on the labour market longer. Another factor is the development of new forms of work organisation. The large-scale adoption of new technologies and new ways of organising labour could reduce some old risks while giving birth to others.

In late 2001, the Commission will submit a final report on the progress made on this programme along with proposals for future action.

Visit our website:

[http://europa.eu.int/comm/dg5/h&s/index\\_hs.htm](http://europa.eu.int/comm/dg5/h&s/index_hs.htm)





## Relevant Community legislation

**Currently, there are three groups of legislation:**

*Measures taken under framework Directive 89/391/EEC, which contains basic provisions for organising health and safety at work and sets out the responsibilities of both employer and worker. It has been built on by individual directives for particular groups of workers and particular workplaces or substances;*

*Measures taken under framework Directive 80/1107/EEC, which sets out to protect the health and safety of workers from risks linked to exposure to chemical, physical and biological agents in the workplace. Other more specialised directives concerning specific agents have followed it;*

*Measures laid down by directives containing exhaustive provisions not related to framework directives for certain occupations and for vulnerable groups and people.*

## Directives adopted and/or put before the Council since 1996

- 98/24/EC - "Chemical agents"
- 96/94/EC - "Chemical, physical and biological agents"
- 97/59/EC and 97/65/EC - "Biological Agents". The latter gives workers greater protection against the risks from exposure to BSE and TSEs.
- 97/42/EC and 99/38/EC on protecting workers from the risks related to exposure to carcinogens.
- Amended proposal for a directive on protecting workers against the risks from explosive atmospheres.
- Proposal for a directive on protecting workers against the risks related to exposure to physical agents.
- Proposal for a directive on transport activities and workplaces on transport.





[ JOB ]

**EUR ES**

EUROPEAN EMPLOYMENT SERVICES



## FREE MOVEMENT OF WORKERS

The free movement of workers is one of the fundamental freedoms established by the Treaty of Rome. From the earliest days of the European Economic Community, the founding Member States decided that the creation of a single market should also provide for an area in which European workers could move freely.

Article 48 of the Treaty establishing the EEC stated that by the end of a twelve-year transitional period Community nationals would have the right to travel freely throughout the Member States to work. But even before the end of this period, the Member States had adopted two Regulations – 1612/68<sup>(1)</sup> and 68/360<sup>(2)</sup> – to allow this freedom to be genuinely exercised.

The European Court of Justice also played a fundamental role in the development of this legal framework, ruling from the outset that the right to free movement was directly applicable to all European citizens.

The Court also indicated that free movement should not just be an economic right aimed at integrating national labour markets but should also include the genuine right of such workers and their families to integrate in the host society.

The principle of equal treatment as defined by the Court was thereafter taken to mean that migrant workers and their families were entitled to all the advantages, whether linked to an employment contract or not, normally enjoyed by national workers either because of their employee status or simply because they lived in that country.

Once these precedents had been set the Commission proposed in 1989 to strengthen the 1968 legal framework so as to incorporate them in its own legal instruments. However these proposals were not followed up by the Council of Ministers, despite being favourably received by the European Parliament.





## 1996 : a new strategy for the free movement of workers

### 1. Background

This was the situation in 1996 when the Commission decided to relaunch the debate on free movement inside the Union by creating a high-level group to identify existing barriers and making recommendations to improve the legal framework in the moves towards a European citizenship.

With new Community responsibilities in employment, the Commission used the group's recommendations to embark on a strategic move to put free movement of workers back into the bigger picture. This led to the adoption of an action plan.

In the wake of the plan, the Commission decided in 1998 to present new legislative proposals to reinforce the legal framework. The prospect of enlargement towards Eastern Europe, and the new responsibilities conferred by the Treaty of Amsterdam, have also done their bit to turn free movement into a major issue at the heart of Europe and open up new possibilities for future development.

### 2. The high-level group report on freedom of movement

The group concluded that while European citizens could and did exercise their right to free movement, many obstacles remained and improvements were needed. The group emphasised that the unhindered movement of workers was a fundamental freedom for European citizens and that any obstacle to it therefore ran counter to the notion of European citizenship. The group accordingly suggested that a series of legislative amendments be introduced to improve and simplify the legal framework, and that mechanisms for administrative collaboration be set up. The group believes that most barriers in this area would disappear if national governments were more flexible in enforcing legislation.

### 3. Action plan

Taking up some of the recommendations of the high-level group in its new European employment strategy, the Commission presented an action plan in 1997 on the free movement of workers. The plan aims to include the issue in the overall approach to European citizenship and the European employment policy.

Improvements in this area are crucial to strengthening the status of European citizenship, and allowing for a real area of freedom of professional movement, so that the purposes of the European employment strategy can be better served. The plan revolves around five proposed key activities:

#### 1. Improving and adapting legal instruments

Creating a single European employment market will mean adapting legal regulations. The Commission undertakes to present new legislative proposals on the right of residence, family reunification, jobseekers and the social integration of workers and the members of their families in the host Member States.

#### 2. Greater transparency in the labour market

It should be possible to offer and seek work at European level. The key moves to encourage the creation of a European labour market are mainly aimed at promoting collaboration between national employment services and reinforcing the EURES network (see on page 37).

#### 3. Developing cooperation between national governments and strengthening their responsibilities

National government participation is vital if the free movement of workers is to become a reality. Administrative collaboration and information for citizens and enterprises need to be improved and cooperation with the social partners stepped up.

#### 4. Improving information and raising awareness on the right to freedom of movement

The Commission will draw attention to free movement and to the potential of a European labour market in its regular information and publicity activities.

#### 5. Developing innovative projects, financed under Article 6 of the Regulation on the European Social Fund.

### 4. Legislative proposals

One of the major priorities of the action plan was to strengthen and improve the 30-year-old legal framework. The Commission did this by presenting legislative proposals to modify the legal framework for free movement.

The proposals, adopted by the Commission on 22 July 1998, provide for: reductions in the red tape needed to obtain residence documents; measures to extend the right of family reunification; better social, economic and cultural integration of workers and their families in the host countries; and mutual recognition of professional sta-



tus (qualifications, experience, diplomas) acquired by Community workers in other Member States.

The proposals also provide for an advisory committee on the free movement of workers and social security, which would bring together the two previous separate committees that dealt with the two subjects.

### **5. The challenges of enlargement and the Treaty of Amsterdam**

With the start of the process of enlargement towards the countries of Eastern Europe, freedom of movement once again moved to the top of the European agenda. The fear of certain Member States that their labour market would be thrown into disarray by a flow of workers from the applicant countries has sparked off heated debates. Although it is difficult to assess the consequences of enlargement on occupational mobility, the issue is a sensitive one.

On the other hand, the entry into force of the Amsterdam Treaty on 1 May 1999 brought with it new responsibilities for the Union as regards the free movement of workers from non-member countries. The new Article 63 (4) stipulates that the Union should adopt "measures defining the rights and conditions under which nationals of third countries who are legally resident in a Member State may reside in other Member States."

### **Conclusion**

Over the past five years the Commission has relaunched the debate on freedom of movement, almost completely abandoned following 1989's fruitless legislative proposals.

The Commission's new approach to the question aims to place it squarely within a greater framework of European citizenship and European employment policy. It is clear that the advances in the field of European citizenship must be accompanied by stronger judicial measures for free movement.

Moreover, the Commission has drawn the attention of Member States to the importance of the issue as a true area of occupational mobility, which would add weight to the European employment strategy.

However, new elements such as the negotiations with certain applicant countries and the

new Amsterdam Treaty have added a noticeably more political dimension to the issue.

So over the past five years the free movement of workers has made headway and returned to the top of the European agenda. This momentum must be maintained if a truly European area of professional mobility is to be created, an area where national frontiers are no obstacle to the full and effective integration of workers and their families in the Member State of their choice.

You can get more details at:

[http://europa.eu.int/comm/dg05/fundamri/movement/index\\_en.htm](http://europa.eu.int/comm/dg05/fundamri/movement/index_en.htm)

## **Looking for work in another country?**

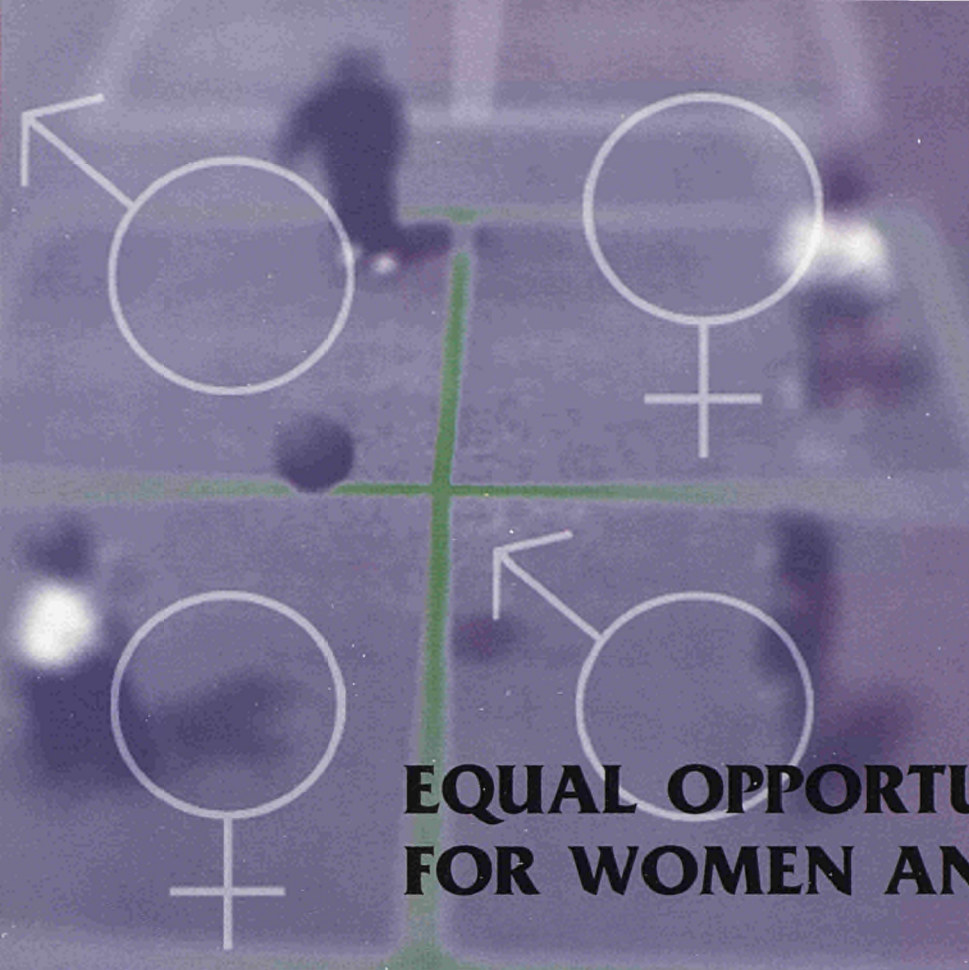
### ***EURES could be the answer***

*EURES is a labour market network of over 450 employment specialists from all over the European Economic Area, which helps people who want to work in another country. Among other things, it provides information on recruitment, placements and working conditions throughout the EEA and can advise you on how to go about looking for a job. EURES can also be used by employers who wish to recruit from other countries.*

*Check out the website:*

[http://europa.eu.int/comm/dg05/elm/eures/en/index\\_en.htm](http://europa.eu.int/comm/dg05/elm/eures/en/index_en.htm)





## **EQUAL OPPORTUNITIES FOR WOMEN AND MEN**

### **Introducing the issue**

Equality between women and men is indisputably recognised as a basic principle of democracy and respect for humankind. Since its creation, the Community has recognised the principle of equal pay and, on this basis, has developed a consistent set of legal provisions aimed at guaranteeing equal rights for access to employment, vocational training, working conditions and to a large extent, social protection.

The Commission however, realising that equality in law does not necessarily guarantee it in practice, has since 1982 gradually instituted a host of specific measures to promote gender equality through its consecutive equal opportunities action programmes.

Likewise, the Structural Funds - the main Community instrument for social cohesion and sustainable development - have had a major impact on equal opportunities, in particular through the Community initiative NOW, since 1990.

A turning point came at the Essen European Council in 1994, which identified the promotion of equal opportunities as a key priority of the European Union and the Member States, on a par with the struggle against unemployment.

This approach was endorsed by the subsequent European Councils and was consolidated last year with the inclusion of an equal opportunities' pillar within the employment guidelines. This has now become a mainstream policy to be applied by all.



## Implementing specific operations and programmes

The current medium-term Community action programme on equal opportunities for women and men (1996-2000), adopted by Council Decision,<sup>(1)</sup> was designed to build on the achievement on its three predecessors, which played an important role in improving the situation of women in society and promoting cooperation at all levels in the area of equal opportunities.

The policy aims of the programme are to:

- promote gender mainstreaming;
- mobilise key actors in social and economic life in the cause of equal opportunity;
- promote equal opportunities in a changing economy, with special emphasis on education, training, and labour market issues;
- reconcile work and family life for women and men;
- encourage a gender balance in decision-making;
- create the best possible conditions for exercising equal rights.

To pursue these aims, the Programme supports projects to exchange information and experience on good practice, conducts research studies in the field and monitoring of relevant policies, and disseminates results of initiatives embarked upon and any other relevant information.

The most innovative feature of this Programme has been the introduction of mainstreaming both as a guiding principle and as an objective, while its added value lies in identifying and exchanging information and experience on good practice among the key players in this field (national authorities, NGO's, social partners).

Another major specific scheme has been the NOW (New Opportunities for Women) strand within the EMPLOYMENT Community Initiative. NOW is devoted to improving the position of women in the labour market, with a total budget of over €900 million, €496 million of it from the EU.

The most common activities amongst NOW projects are training in the areas of business creation, and schemes to break down the gender segregation of the labour market, both vertically and horizontally. Many projects train women to take advantage of new and emerging job sectors, especially in the service sector and the information society. The NOW strand will have funded over 1700 innovative projects, implemented transnationally, over the period 1994-99. As such it is the largest single EU programme for women.

As a Community Initiative programme, NOW has given a very high priority to disseminating its results and incorporating them into mainstream training provision and policy, and its results should help to feed the NAP process in the years to come.

## Mainstreaming equal opportunities

The majority of measures undertaken to date to promote equal opportunities for women and men have been isolated and specific. Alongside these, there is a need for more general, complementary action able to exert a serious influence on the direction of general policies and on decision-makers. This combination defined by the Commission as the dual approach – specific action and mainstreaming – is considered to be the most effective way to accomplish equality.

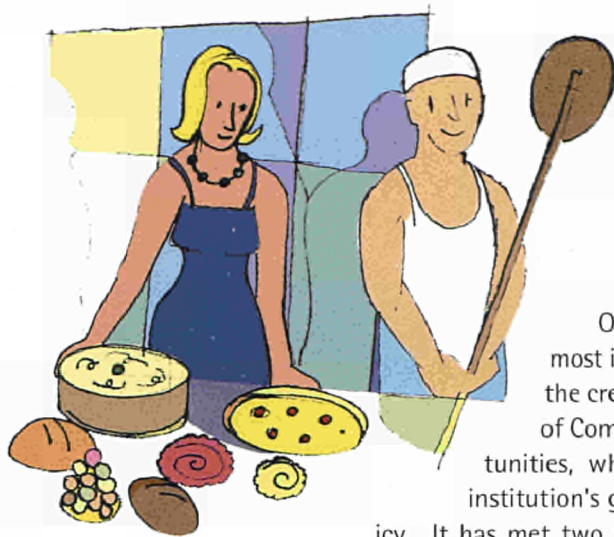
As a result, a communication entitled "Incorporating equal opportunities for women and men into all Community policies and activities" was adopted, in February 1996, setting out the Commission's intention of mobilising all general policies and measures specifically for the purpose of achieving equality, by actively and openly taking into account at the planning stage their possible effects on the respective situations of women and men, while pursuing in parallel specific actions in favour of women / the under-represented sex.



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<sup>(1)</sup> 95/593/EC: OJ L 335, 30.12.1995, p.37





On the political front, the most important commitment was the creation in 1995 of the Group of Commissioners on equal opportunities, which has spearheaded the institution's gender mainstreaming policy. It has met two to three times a year and interacted regularly with the European Parliament Women's Rights Committee, the Advisory Committee on Equal Opportunities and the European Women's Lobby.

The approach involves the close cooperation of all the services, the appointment of senior officials under the coordination of the services in charge of the Programme, awareness-raising and training, development of practical tools and guidelines and regular monitoring and evaluation of progress.

The most significant example of applying the mainstreaming principle is the implementation of the coordinated guidelines for Member State employment policies, for the first time in 1999. Within this new employment strategy (see article above), Member States have undertaken to mainstream equality in all schemes and policies proposed under the pillars to improve employability, develop entrepreneurship and encourage adaptability of businesses and their employees. Such a commitment implies setting up a new process involving the critical assessment of policy measures and the submission of new, more equality-friendly policies.

Further examples of the practical application of this principle are the new Regulations for the Structural Funds (2000-2006), approved earlier this year. Promotion of equality and the elimination of inequality between women and men is a general objective of the Funds enshrined in Article 1. Each of the individual funds will then have specific measures on promoting equality. The European Social Fund will focus on getting more women onto the labour market, the European Regional Development Fund will support enterprise creation activities and schemes to reconcile family and working life,



and the EAGGF will back women's rural development projects.

The progress report from the Commission on the follow-up to its communication on mainstreaming points to the considerable headway made and the tangible outcome in policy terms in external relations, including development cooperation and women's human rights; education, training and youth policies; Commission staff and information policies.

However, barriers and shortcomings are no less apparent. Lack of awareness of gender issues at decision-making levels, lack of human and budgetary resources and lack of gender expertise have been identified as the main barriers to further progress. And to overcome these and improve the organisational and methodological framework for gender mainstreaming, the following (among others) are needed:

- awareness-raising,
- targeting senior and middle management as a priority,
- large-scale training to develop the necessary gender expertise,
- gender impact assessments of policies as a regular procedure,
- gender proofing to guarantee the quality of any legislative proposal and other policy document on Community activity, in terms of the equal opportunities objective.

The Community commitment to gender mainstreaming has been decisively underpinned by the Treaty of Amsterdam, which lists the promotion of equality among the Community objectives and as a cross-cutting concern, in Articles 2 and 3. The integration of these principles into the Treaty demonstrates the effectiveness of mainstreaming and of mobilising all actors in political and social life to achieving equality and provides a solid basis for action at Community level.

### Implementing equality rights

The Community has been the driving force in promoting the status of women in European society. It has consolidated the legal principle of equal





treatment at work and, to a large extent, in social security. With the only basis provided by Article 141 (ex 119) of the Treaty enshrining the principle of equal pay, the European Court of Justice has extended the principle of equal treatment at work to the prohibition of all forms of sex discrimination at the workplace. The Community has also made successful use of other legal bases to promote gender equality in different situations and aspects of working life. Thus, during these last five years, several legal instruments were adopted in areas which had not been fully covered.

The first Council Directive to be adopted, in 1996 under the Social Protocol was on parental leave (96/34/EC), endorsing the framework agreement concluded by the general cross-industry organisations UNICE, CEEP and ETUC. It grants men and women an individual right to parental leave for at least three months, which can – in principle – not be transferred to the other parent. This right, conferred on men on an equal basis with women, has the potential to contribute to a more equal share between women and men of family obligations. This incentive to men to take a more active part in care will help to discourage gender stereotypes.

A year later, the Commission's proposal for a directive on the burden of proof in cases of sex discrimination in the workplace, was adopted by the Council (97/80/EC). This legislative instrument is designed to reinforce the conditions under which rights can be exercised, facilitating as it does litigation of discrimination based on sex.

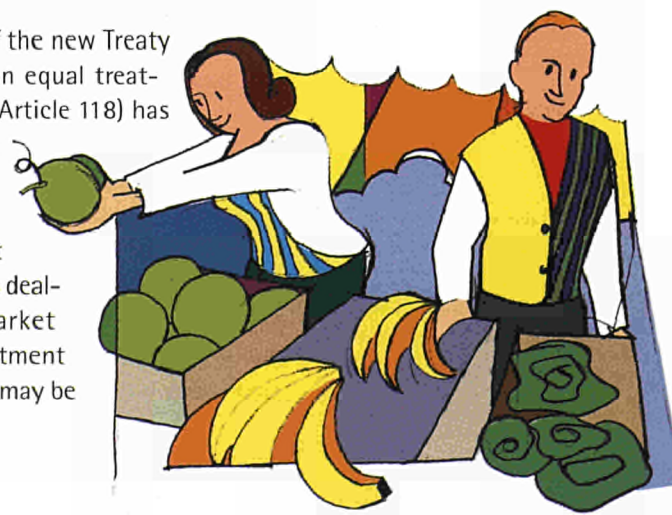
In the same year, 1997, one more Directive (97/81/EC) was adopted, endorsing the framework agreement on part-time work concluded by UNICE, CEEP and ETUC. The purpose of the agreement is to remove discrimination against part-time

workers, mainly women, and to promote part-time work on a basis which is acceptable for both employers and workers.

Finally, with regard to social security, the Council adopted Directive 96/97/EC in 1996, amending Directive 86/378/EEC on the implementation of the principle of equal treatment for women and men in occupational social security schemes, following several judgements by the European Court of Justice, (see article on social protection).

The Amsterdam Treaty for its part, which entered into force on 1 May 1999, brought about an important symbolic amendment by adding to the tasks of the Community listed in Article 2, the promotion of equality and the elimination of inequality between women and men. Article 3, which lists the activities of the Community, now has a new subparagraph 2 which provides that in all its activities, the Community shall aim to eliminate inequalities and promote equality between women and men. In other words, equal treatment has been made a "horizontal" policy, which must be taken into account in all other policies.

Other provisions of the new Treaty also have an impact on equal treatment. Article 137 (ex Article 118) has been amended so that the Commission can now support and complement relevant Member State activities dealing with labour market opportunities and treatment at work, and directives may be







adopted either by the Council or by the social partners.

Article 141 (ex Article 119) on equal pay has been substantially amended. Firstly, subparagraph 3 now allows the Council to adopt measures, under the co-decision procedure, to ensure the application of the principle of equal opportunities and equal treatment in matters of employment and occupation, including the principle of equal pay for equal work or work of equal value. Secondly, subparagraph 4 provides that any Member State may maintain or adopt measures providing for specific advantages (positive action) in order to allow the underrepresented sex to pursue a vocational activity or to prevent or compensate for disadvantages in professional careers.

However, the most dramatic change, in terms of equal treatment, is the new Article 13 of the Treaty. This is a new legal base which allows the Member States to "take appropriate action to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation" and could be an opportunity to tackle sex discrimination in areas outside employment, such as financial services, decision-making and education.

### Looking ahead

Equal opportunities for women and men is now a political priority in the European Union, underpinned by a number of very important developments over the last five years. It is now firmly accepted that gender equality has to be promoted not only by the specifically appointed equal opportunities bodies and groups, but also by all decision-making bodies and groups too.

This does not, of course, mean abandoning the use of specific or positive action in favour of equality where and when it is needed. Such specific measures have played a valuable role in correcting the outright discrimination of the past and can and must continue to do so. Specific measures, however, are all the more effective when backed by a mainstreaming approach and this is, in essence, what is meant by the "dual track approach" – a strategy, which the Commission has always advocated and is now endorsed by the Amsterdam Treaty.

With the coming into force of the Amsterdam Treaty, a promising period in terms of equal treatment between women and men, and in terms of anti-discrimination in the widest sense has begun. It is important at this point to recall the major role of the EP and in particular of the Women's Rights Committee which has constantly stimulated interinstitutional dialogue and has monitored the formulation, integration and implementation of equal opportunities. This role will be strengthened once the new legislative procedures provided for in the Amsterdam Treaty come on line.

Website:

[http://europa.eu.int/comm/dg05/equ\\_opp/index\\_en.htm](http://europa.eu.int/comm/dg05/equ_opp/index_en.htm)





## SOCIAL PROTECTION STRATEGY AND THE COORDINATION OF SOCIAL SECURITY SCHEMES

Social protection is an area that can be divided in very different political processes. And in every one of them the Commission made considerable progress over the last 5 years. But one thing needs stating at the outset: the Commission is not trying to take over Member States' competence for the design of their own social protection systems. The need for specific action at European level is based on two different factors. On the one hand, the Commission promotes cooperation between Member States in the social field, especially on social protection, on the basis of Articles 2 and 136 EC.<sup>(1)</sup> Since the 1989 Community Charter of the Fundamental Social Rights of Workers and its action programme, Member States have embarked on a process of developing joint objectives and policies to tackle together the challenges facing all of them. This process should be con-

nected to the developments in the ongoing European employment strategy.

On the other hand, the Community has drawn on Article 42 (ex Article 51) to adopt legislation removing social security obstacles to cross-border mobility.<sup>(2)</sup> It does not interfere with Member States' freedom to decide how to organise their own systems; what it does is make sure that potential mobility is not impeded by penalties incurred by virtue of moving from one Member State to another. And it is this same reasoning that has prompted legislation in the field of supplementary pension rights.

To complete the picture and to guarantee equal treatment for men and women, three directives based on Article 141 EC (ex Article 119)<sup>(3)</sup> look

<sup>(1)</sup> Both set out high levels of social protection as objectives for the Community

<sup>(2)</sup> Regulations (EEC) Nos. 1408/71 and 574/72

<sup>(3)</sup> 79/7/EEC and 96/97/EC – post-Barber Directive





at statutory and occupational social security schemes.

In line with the different objectives, the Commission has undertaken a whole series of initiatives.

### Social protection

Social protection is a cornerstone and a distinguishing feature of the European social model. Social protection systems play an important role for both macro-economic development and the standing of individuals and households. Member States' expenditure accounts for 28.7% of GDP in EU average; social transfers present around 30% of net household income; for some 35% of households they were the main source of income and without them just under 40% of households would have had a level of income of under half of the national average. After transfers around 17% of households in the Union had a level of income below this.

The considerable resources allocated to social protection influence the financial situation of households, by redistributing income, and so help to promote social harmony and cohesion and fight social exclusion. In so doing social protection also helps to boost the EU's economic performance and changes people's position and behaviour in relation to the labour market, i.e. their chances to find a job, their ability to reconcile work and family life, their willingness to accept risks and to take a more flexible approach.

Therefore, it is crucial that social protection systems are carefully designed and take into account the economic and social realities in which they operate. They should set up incentives to work rather hamper economic activity; they should focus on prevention or early intervention; they should invest in people's health and, through investment in their skills, their employability and adaptability. Modern protection systems can help people to embrace economic change and re-

structuring by offering the necessary security to act in a flexible way on today's quickly changing labour market and, so promote an optimal allocation of resources within an economy. In this sense, social protection is a productive factor.

These issues have been part of an ongoing debate on the European level throughout the 90's: at the start of the decade, the Communities' policy was based on the convergence strategy agreed by the Council in its 1992 Recommendation.<sup>(4)</sup> The idea was to promote de facto convergence through common objectives, which would guide Member States' policies in such a way as to enable different systems to co-exist.

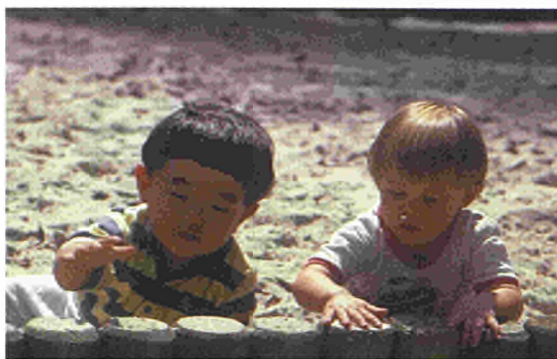
The developments in policy since 1992, notably the Community-wide framework for employment presented by the Commission in the 1993 White Paper on Growth, Competitiveness and Employment, called for more thorough collective debate on social protection. In addition, at a Paris meeting in 1995, social security ministers reiterated their commitment to the European social model and expressed their intention to make coordination more effective. Accordingly, in its medium-term social action programme 1995 – 1997, the Commission proposed a framework for debate on the future of social protection to promote joint discussion between the Member States.

This framework was set up by the Commission in 1995 through a communication entitled "The Future of social protection: a framework for a European debate".<sup>(5)</sup> The starting point was the fact that all Member States face similar challenges and problems, such as stubbornly high unemployment, with too many long-term jobless and the emergence of new forms of so called atypical work. Other challenges are demographic developments (including a worsening of the dependency ratio at the beginning of next century) and changing family structures. The communication pointed out that there was considerable value in launching a joint debate on these issues and a clear European added value in comparing notes.



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The Commission's initiative triggered a lively debate throughout 1996. The European institutions, Member States, social partners, NGOs and social security institutions reacted to the paper and discussed it at a number of conferences and seminars. In 1997 the Commission took stock and presented a number of major conclusions: the debate confirmed the importance of a high level of social protection. Social protection systems have played a fundamental role in ensuring income redistribution, social cohesion, political stability and economic progress over the life of the European Union. However, there is an urgent need to modernise and improve these systems because the economic and social conditions under which they operate have changed considerably since their creation. If they are to remain effective, they have to be adapted to the changing nature of work, the changes in gender balance in working life and the ageing of the population. Furthermore, there is an urgent need to reform the coordination of national social security schemes for people moving within the EU. In another vein, the communication pointed out that social protection was a productive factor contributing to economic performance. It was misguided to perceive social security spending as an economic burden or a cost when it should really be seen as an investment in human resources.

The Commission also felt that this need to modernise Member States' social protection systems should be reflected at European level. Therefore, in July 1999, it presented a new communication which opened a new phase in the ongoing process of reflection. This document highlighted, firstly, the interlinkages between a number of recent developments at EU level and social protection. These developments include: the macro-economic disciplines required for stability and growth within Economic and Monetary Union; commitments to making social protection systems more employment-friendly under the European employment strategy; and the need to confirm the place of social protection within the common values of the European Union in the con-

text of its enlargement. These factors only serve to reinforce the value of the process of joint reflection between the Member States and the EU institutions. Secondly, the Commission made a number of suggestions on how to enhance the cooperation with the Member States. The Commission proposed a "Concerted Strategy for Modernising Social Protection", based on four key objectives:

- to make work pay and to provide secure income;
- to make pensions safe and pension systems sustainable;
- to promote social inclusion; and
- to ensure high quality and sustainable health care.

The Commission suggested that this strategy should be supported by enhanced mechanisms for exchanging information and monitoring policy developments in order to raise the process's public and political profile.

### Coordination of social security systems for people moving around the Union

A precondition for free movement of individuals is Community legislation on the coordination of social security schemes. Free movement of people, one of the four fundamental freedoms guaranteed by the Treaty, does not make sense unless those moving within the EU can be sure they will not lose their social security rights. This was one of the main issues from the outset and was already on the statute books in Regulations 3 and 4 of 1958, since replaced by Regulations 1408/71 and 574/72. These Regulations do not intend to replace the national social security schemes but establish rules and principles to remove the barriers to freedom of movement for workers arising from basic differences between the schemes. They ensure the principle of equal treatment with nationals in each Member State and therefore prevent any discrimination based on nationality. They guarantee that only one set of social legislation should apply at a time. They safeguard the principle of aggregation of all periods of insurance completed in several Member States. And they also make it possible to export benefits anywhere in the EEA.

Since they deal with very technical matters, 1408/71 and 574/72 are amended every year to take into account changes in the national social security schemes and the jurisdiction of the

<sup>(4)</sup> 92/442/EEC of 27 July 1992 on the convergence of social protection objectives and policies

<sup>(5)</sup> COM(95) 466 final



European Court of Justice on purely technical matters (miscellaneous amendments). However, this exercise is of importance to European citizens because coordination of social security schemes can only work if the corresponding regulations are in line with recent national developments. In order to make the regulations easier to read, a codified version has been available since 1997. Furthermore, the personal scope has been extended to include special schemes for civil servants on 29 June 1998, after six years of negotiations in the Council. And on 29 April 1999, the Regulation was extended to students.

The Commission has tabled a few more proposals, which are currently under discussion in the Council. Among the most important are extension of the personal scope of the Regulations to third country nationals.

Last but not least, in December 1998, the Commission adopted a proposal for simpler and more up-to-date rules for coordinating social security schemes. The proposal, which is still based on the fundamental principles of coordination (particularly equal treatment, aggregation of periods, export of benefits, applicability of a single set of legislation) makes for much clearer and easier reading on a topic of direct relevance to ordinary citizens. It applies to anyone covered by the social security laws of a Member State, e.g. employees and the self-employed, members of their families, non-active persons, refugees and nationals of third countries who are affiliated to the social security scheme of any EU country. The proposal now goes well beyond the free movement of workers issue and has to be seen within the context of European citizenship. It also takes into consideration the changes in the forms of social security in Europe and adopts "coordination rules" in line with the new shape of a "Social Europe". In short, it aims to make the rules of coordination more efficient and user-friendly.

This very important piece of European legislation, its implications and its possible changes are discussed annually by representatives of all Member States and the applicant countries, as well as researchers and judges. In 1994, Lisbon hosted a gathering on "Social Security in Europe: Equality between Nationals and Non-Nationals". A year later, the theme of the conference held in Crete was "the free movement of workers within the European Union: posting and the perspectives of Community coordination in the context of Regulation 1408/71". In 1996, the 25th Anniversary of Regulation 1408/71 was marked

at a conference with the same name in Stockholm. And for the very first time, a big debate was held in Riga in September 1998 with the enlargement countries on the implications of this Regulation for them. "The Relation between the EC-Treaty and Regulation 1408/71" was the theme of the last conference in this series which was held in Vienna in June 1999. Open discussion of a whole range of issues led to some interesting new ideas. Since the Amsterdam Treaty entered into force, a new decision-making process applies in social security coordination. In future, co-decision by Parliament and Council will be required. From the conference, it became clear that Member States are ready to discuss the Commission's proposal for reform and simplification of the coordination of social security, which has now been included on the Council agenda.

### **Free movement of people - Safeguarding the supplementary pension rights of people moving about the Union**

The above regulations do not, however, apply to supplementary pension schemes which do not emanate from legislation but from private-sector initiatives. Most of them are based on collective bargaining or agreements concluded between the two sides of industry; others result from employers' initiatives.

In its 1991 communication on supplementary pensions, the Commission identified the existing obstacles to free movement in relation to supplementary pensions (long vesting periods for acquiring supplementary rights, preservation and transferability of pension rights, cross-border payment of benefits, cross-border affiliation for workers moving for a short period to another Member State and avoidance of double taxation).

In the Green Paper on supplementary pensions in the Single Market, the Commission attached paramount importance to overcoming these obstacles to free movement.

A first, but very important, step was the adoption of a directive (in light of the findings of the high-level panel on free movement) to deal with some of these obstacles (preservation of acquired rights, cross-border payments and cross-border affiliation for posted workers as well as adequate information for supplementary pension scheme membership - especially when moving to another country).<sup>(6)</sup>



In May of 1999, the Commission presented a communication to deal with the outstanding obstacles. It reflects the reactions of all the involved parties (governments, social partners, pension funds) to the debate launched with the Green Paper and provides a basis of further action in this field.

As far as the free movement of people is concerned, the Commission proposes :

- long vesting periods: a debate with the social partners is planned to try to tackle this problem;
- cross-border affiliation for workers, except for those on postings, who are moving for a short period to another Member State: the Commission will launch a feasibility study;
- transferability of pension rights (only in the case of funded schemes when the nature of the scheme permits it): the Commission will look with all involved at the (actuarial and fiscal) problems arising when the worker intends to move to another Member State in order to find the most appropriate solution;
- creation of a pensions forum made up of representatives from Member States, social partners and pension funds. The forum will assist the Commission in following up existing Community legislation and will make proposals for further laws.

## Equal treatment for women and men in social security

The Community acquis in this area is very important. There is an Article of the Treaty which applies (Article 141 - ex Article 119 - on equal pay), as well as three Directives.<sup>(7)</sup>

Equal treatment between women and men in occupational social security schemes (Article 141 and Directives 86/378/EEC and 96/97/EC).

According to the case law of the Court of Justice, especially its 1990 Barber and subsequent judgments, Article 141 of the Treaty applies to all supplementary social security schemes because benefits under such schemes should be considered as pay within the meaning of the Article. As a result, since 17 May 1990, derogations to the principle of equal treatment between women and men have been outlawed. This was relevant, especially for pensionable age and survivors' benefits. Under Directive 86/378/EEC, Member States could still allow for supplementary pension

schemes to provide different pensionable ages for women and men and survivors' benefits only to women. These derogations became obsolete after the Barber judgement for employed people (Article 141 of the Treaty applies only to employed people).

To take on board Court case law, the Commission proposed a Directive<sup>(6)</sup> amending Directive 86/378/EEC and bringing it into line with Article 141 as interpreted by the Court in the Barber and later rulings. This Directive was adopted by the Council on 20 December 1996 (post-Barber Directive, 96/97/EC). Under it, Member States were to take implementing measures by 1 July 1997 at the latest and give retrospective effect to those measures from 17 May 1990, except where claims were lodged under the national law before that date.

In this case, the retrospective effect i.e. the application of the principle of equal treatment in social security schemes, should be 8 April 1976 (this is the date of the Defrenne II judgement, where the Court recognised for the first time the direct effect of Article 141).

With the certainty and clarity it brought, Directive 96/97 was well received by all involved, especially the national authorities required to apply Community law.

More information?

[http://europa.eu.int/comm/dg05/soc\\_prot/social/index\\_en.htm](http://europa.eu.int/comm/dg05/soc_prot/social/index_en.htm)

<sup>(6)</sup> 98/49/EC (further to a Commission proposal: COM(97) 486 final: 8.10.97)

<sup>(7)</sup> 79/7/EEC, 86/378/EEC and 96/97/EC – post-Barber Directive

<sup>(8)</sup> In COM(95) 186 final: 16.05.95





## Social inclusion

### Introduction:

How have the circumstances in which exclusion occurs evolved over the last five years? Despite the successes of Europe's social model, poverty and social exclusion have remained significant problems in the EU. Economic progress has not led to less insecurity or inequality in society. Between 20 and 40 per cent of people in the EU continue to experience regular spells of deprivation. More than 10 million rely on social assistance schemes, a number which has been growing since the end of the eighties. The standard of living and quality of life of nearly one in five citizens and families at any one time remains less than half as good as that of the rest of society in which they live. Income disparity between highest and lowest incomes has tended to widen.

Certain groups seem more at risk: young and elderly people, particularly when living alone; families with children; single parent households; the low skilled – whether employed or not. The Commission's first Cohesion Report confirms that, although a process of economic convergence between Member States is apparent, economic and social cohesion within most Member States has experienced a setback in the nineties.

One of the main underlying causes has been continued high levels of unemployment, particularly long term.

### Community contribution?

The scope for special Community action to combat social exclusion during the last 5 years has been limited by a lack of appropriate legal basis – a lack which has caused growing concern among Member States and so prevented Commission from successfully tabling specific ini-

## SOCIAL INTEGRATION: SOCIAL INCLUSION AND CIVIL DIALOGUE

tiatives against social exclusion (blockage of Poverty 4; Court case against social exclusion budget headings).

But these issues and conflicts have intensified the discussion and have ultimately contributed to building consensus among Member States about the scope for Community action against exclusion and about the need for creating a specific legal basis in the revised (Amsterdam) Treaty – which exists now that the new Treaty has come into force.

In the meantime, the Commission has been active in preparing the ground for implementing its new mandate through preparatory measures and through dialogue with all concerned.

The round table conference on "Towards a Europe for all" on 6-7 May 1999 in Brussels confirmed the approach and principles of Community action. These are:

- to support cooperation which enables Member States to enhance the effectiveness of (all) policies which affect social exclusion;
- to promote an integrated approach;
- to underpin all action with partnership and participation;
- to actively explore and promote the idea of minimum Community-level requirements as a useful way of fostering integration.



These principles together with the scope and (added) value of Community cooperation have equally been highlighted by the Commission's Report<sup>(1)</sup> on the implementation of Recommendation 92/441/EEC (June 1992) on common criteria concerning sufficient resources and social assistance in social protection systems. This is a field where all Member States have been looking for greater effectiveness and, in doing so, are widening their operational scope to include measures which aim not simply at providing a safety net but at improving economic and social integration of minimum income recipients.

Social inclusion aims have also been strengthened in other relevant Community policy instruments:

The European employment strategy makes a major contribution by targeting in particular long-term unemployment and youth joblessness as well as the lack of equal opportunities for women in



the labour market. Ensuring that the Employment Guidelines effectively reflect the needs of everyone has been given increased weight in the 1999 version. There is more emphasis on active measures to reintegrate people. This includes reforms to tax and benefit systems and lifelong learning to enable workers, particularly older workers and people excluded from the labour market (e.g.: the disabled, returnees) to improve skills especially in fast-changing fields such as information and communication technologies.

The Structural Funds are the main financial means of direct Community support for the most disadvantaged regions and people in the EU. Following the reforms, the Funds 2000-2006 will do even more to promote social inclusion. Objective 3 sets out to help adapt and modernise systems and policies on education, training and employment. A central part is the reintegration

of people excluded from the labour market and the fight against long-term unemployment. Community initiatives are also active in promoting social inclusion, especially the INTEGRA strand of the EMPLOYMENT initiative, and URBAN and LEADER on urban and rural integration respectively. The new Community initiative under the European Social Fund, EQUAL, will support new ways of addressing exclusion, discrimination and inequalities in relation to employment.

Promoting social inclusion will be a key priority in the concerted strategy for social protection at EU level which the Commission has recently proposed to the Council.

Other Community policies also contribute to promoting social inclusion, such as the Commission's Framework Programmes for European Research, its Framework for Action for Sustainable Urban Development, the education, training and youth for Europe programmes.

Mainstreaming gender issues in measures and policies to promote social inclusion makes them more effective. Not only is gender often a significant factor in exclusion. Exclusion often also tends to affect men and women differently.

The new Community strategy on disability contributes to the social inclusion of people with disabilities by mainstreaming the disability perspective into the formulation of Union policies and legislation. The Commission has recently proposed a specific action programme for the integration of refugees.<sup>(2)</sup>

More directly, the Community programme to distribute farm produce to the most deprived provides food aid to around 8 million people in Europe every year.

### **Mobilising the NGOs - The two European Social Policy Forums**

Non-governmental organisations form a vital part of the fabric of social policy right throughout Europe. The social economy's share of total employment is estimated by Eurostat (1996) to be between 4.5 and 5.3%. It is growing faster than employment in the European economy as a whole.

NGOs are also playing an increasingly important role as providers of social services. In German healthcare, for example, over 40% of patient days are provided by the sector, as are 60% of residential care facilities. In Italy, 400,000 people are

<sup>(1)</sup> COM (98) 774 final

<sup>(2)</sup> COM (98) 731 final





The European Foundation for the Improvement of Living and Working Conditions launches its new website in June 1998  
<http://www.eurofound.ie/>

employed in the sector in providing social services. In France, non-profit organisations look after over half of those in residential care. All our research tells us that services will be at the core of job growth in the next decade. As part of the European employment strategy, the 1999 Guidelines for Employment Policies require Member States to exploit fully the possibilities offered by job creation at local level, in the social economy and in new activities linked to needs not yet satisfied by the market.

The work of NGOs extends well beyond the labour market, addressing the most profound social problems we face. Welfare and charitable organisations, NGOs and the whole voluntary sector are proven components of the support system we need to combat all manifestations of disadvantage, discrimination and exclusion. They constitute the first – and all too often the only – port of call for the most vulnerable in our societies. Moreover, the importance of their role as advocates for those who might otherwise not have a voice in society cannot be overestimated.

Since 1993, there has been a real blossoming of the relationship between DGV and the social NGOs. At that time, the Commission was perhaps just beginning to appreciate the role that civil society organisations could play. The Commission set out the potential of that role in the 1994 White Paper on European social policy, and promised to hold a forum to explore ways of working together on social policy issues.

The concrete outcome of this was the European Social Policy Forum in March 1996, which brought together 1,000 participants, principally from civil society organisations, on the eve of the inter-governmental conference. Here, Mr Flynn

set out the policy objective of building a strong civil dialogue at European level, to take its place alongside the political dialogue with the national authorities and the social dialogue with the social partners.

The Platform of European Social NGOs was a key element in making the first Forum such a success. Established ahead of the Forum, it brings together European-level social NGOs and umbrella organisations, and acts as a first point of contact for DGV on horizontal issues, as a complement to the developing civil dialogue on specific sectoral issues. The Platform has gone from strength to strength, and now has 25 members.

In 1998, our shared agenda included organising the second Forum and addressing the issue of the blocked budget headings. Since then, joint work has focussed on the possibilities for action under the new legal bases in the Treaty of Amsterdam. Signed in June 1997, the Treaty marks a major step forward for employment policy and for the fight against social exclusion and discrimination. The new Treaty articles on social exclusion (Article 137) and on the fight against discrimination (Article 13) will have major importance for the NGO sector.





## INTEGRATION OF PEOPLE WITH DISABILITIES

Over the last 5 years, the European Union has underpinned an inclusive vision which emphasises the importance of people with disabilities being able to participate fully in mainstream European society.

In essence, this vision looks to promote a policy through which people with disabilities enjoy the same rights and the same benefits as other citizens at EU level. It is a policy in which the needs of these people are, as a matter of principle, incorporated in the design and implementation of all relevant fields of activity of the Community, including employment, education, social inclusion, transport, internal market etc. It is based on the firm belief that changes in the way we devise programmes can substantially reduce or even overcome obstacles encountered

by disabled people. Integration rather than the narrower aim of accommodation is seen as the key to inclusion in active society.

Such vision was embodied from the outset in the Commission's White Paper on Social Policy, which asserted that, as a group, people with disabilities undoubtedly face a wide range of obstacles which prevent them from achieving full economic and social integration. Consequently, the Paper recognised the need to build the fundamental right to equal opportunities into Union policies. Significantly, Commissioner Flynn, when in 1993 he addressed the very first European Day of People with Disabilities in the precincts of the European Parliament, expressed his unequivocal commitment to seeing the Union actively working





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on the cluster of issues arising around human rights and anti-discrimination in this field.

This move towards a human rights approach was subsequently endorsed in July 1996 by the whole Commission in its communication on Equality of Opportunity for People with Disabilities setting out a new Community strategy. This communication stressed the need for a new approach which focuses on identifying and removing the various barriers facing disabled people. In this respect, the Commission committed itself to mainstreaming the disability perspective into the formulation of policy and legislation and recognised the need to harness policies and programmes that could help people with disabilities to participate effectively in the economic and social processes.

Moreover, since primary responsibility for action in this area rests with the Member States, the Commission considered that Community level support could bring significant added value to the policies developed by them. The Council and the Member States responded positively to the communication with their resolution of 20 December 1996 on Equality of Opportunity for People with Disabilities. Through this, Member States collectively reaffirmed their commitment to the principle of equal opportunity in the development of comprehensive policies and to the principle of avoiding or eliminating any form of negative discrimination. The resolution further called on Member States to mainstream the disability perspective into all relevant sectors of policy formulation, enabling people with disabilities to participate fully in society by removing barriers, and to nurture public opinion to be receptive to the abilities of persons with disabilities and toward strategies based on equal opportunities.

At EU level, this resolution has proved to be an appropriate platform to establish common goals and to identify good practice as well as an excellent guide for the development and assessment of appropriate measures within the Member States and the Community's own respective spheres of action.

Furthermore, the resolution invited the Commission to promote, in collaboration with the Member States and with non-governmental organisations of and for people with disabilities, the exchange of useful information and experience. To this end, it set up a high level group of Member States' representatives on disability whose purpose is to keep under review the lat-

est policies and priorities of governments concerning people with disabilities, to pool information and experience, and to advise on methods for reporting on the EC-wide situation with regard to disability in future. To feed this process of common reflection, the Commission has also undertaken to produce some useful, value added and well-targeted research in that field.

Last, but certainly not least, through the 1996 communication, the Commission undertook to promote civil dialogue by supporting disability NGOs throughout Europe and through the European Disability Forum. The fact that disability organisations have become aware of the active role which they are called upon to play at European level in raising public awareness of and promoting the rights of disabled people has been widely recognised as one the most tangible success of the Third Community programme - Helios II - to assist the disabled (1993-96). The institution each year of a dedicated 'European Day of Disabled People' has also done much to raise awareness and to give a European dimension to co-operation in this field.

The new strategy has heightened the understanding and recognition of the barriers faced by those with disabilities. At EU level, the Commission's inter-service group has been bolstered to ensure that disability issues are integrated into mainstream Community policies. A code of good practice for the employment of disabled people within EU institutions has also been adopted and in various fields outside of social policy such as education, transport or research, worthwhile developments have taken place.

The human rights approach vision is a now concept which has reached out and generated broad support, and has profound societal implications for all sectors of society. The adoption of the Amsterdam Treaty and Agenda 2000 has provided both a platform and further political stimuli for the strengthening of disability policy at an EU level.

The new employment title of the Treaty is of great potential significance for disability. Since the adoption of the 1998 guidelines, disability has been firmly embedded in almost all of the Member States' NAPs. The strong bias of the employment strategy in favour of prevention and early, active intervention has a great deal to offer to people with disabilities. The importance of such an approach was stressed by the Commission in its 1997 Employment in Europe Report, where a



specific chapter on the employment situation of people with disabilities was included. The report noted in particular that the average employment rate for this group runs at 44% which is about 17% lower than for the rest of the population and that the proportion of people with disabilities who are (economically) inactive is much greater than the rest of the population.

Against the backdrop of the new EU employment strategy, the Commission also issued a staff working paper "Raising Employment Levels of People with Disabilities - the Common Challenge" in October 1998. This document outlined and clarified the nature of the difficult challenges that lie ahead and identified some major strands of EU social policy that could be further harnessed to strengthen the disability employment strategy, namely the information society, health and safety at the workplace and the social dialogue.

Drawing on the conclusions of the Working Paper, on 17 June 1999, the Council formally adopted a resolution put forward by the German Presidency on equal employment opportunities for people with disabilities. The resolution stresses - rightly - the value for such people of the preventive thrust of the European employment strategy. It stresses the importance of removing barriers and disincentives, and of introducing greater flexibility to the combination of employment and support.

On the crucial need to involve organisations of employees and employers and creating new partnerships, very positive signals have also been recently issued. Social partners have produced a European compendium of good practice on the employment of people with disabilities, which was part of their contribution to the Vienna Summit and in May 1999, adopted a further joint declaration in this connection.

The Commission has also encouraged another important trend where many local and regional authorities are entering into partnerships with NGOs and the social partners to work toward the creation of disability friendly environments along the lines of the Barcelona Declaration (1995).

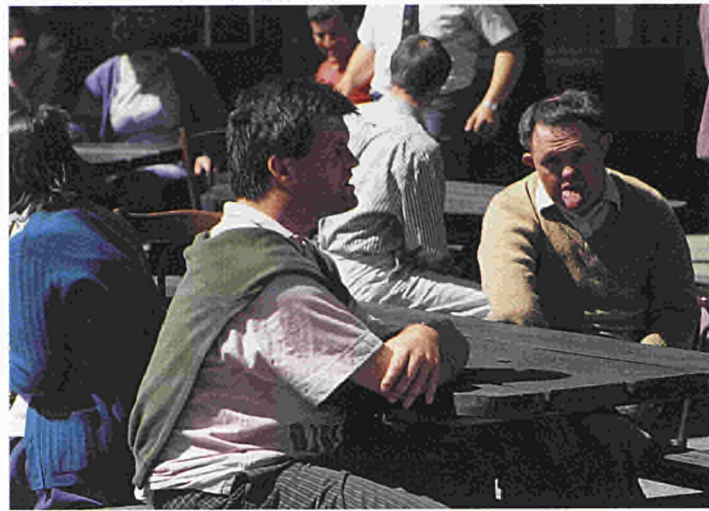
Of special importance in recent years has been the contribution of the European Structural Funds in helping those with disabilities into working life. During the current programming period, 1994 to 1999, the Structural Funds, and in particular the European Social Fund (ESF), have been the most important financial Community instrument for

improving the lot of people with disabilities. ESF support provides for the establishment of comprehensive packages of measures which form a pathway to integration/re-integration into the labour market.

Packages of integrated measures include guidance and counselling, support for self-employment, wage subsidies, work experience schemes etc. The schemes are mainly implemented through Objectives 1 (least developed regions), 2 (lagging regions) and 3 (horizontal measures). A total of ECU 5.5 billion has been specifically allocated to combating exclusion for the period 1994-99. The Member States' programming documents show that people with disabilities constitute one of the most important target groups of action to combat exclusion from the labour market.

In addition to these activities under the "mainstream" structural programmes, there is within the EMPLOYMENT Community Initiative, a separate strand - HORIZON - which has been put in place to deal specifically with the integration of people with disabilities into the world of work and to assist in the implementation of transnational innovative schemes involving them. A total of 1700 projects have received or are still receiving ESF funding under HORIZON, the aim of which is to develop new ways of tackling the problems which people face in today's ever changing labour market and to bring about positive changes in training and employment policies and practices. It funds projects which are innovative, have a high degree of local involvement, and are able to show how they can help others to gain from their experience. The impact of these projects is reinforced by grouping them in transnational partnerships so that lessons learned can be taken up throughout the EU.

The ESF after 2000 will maintain its focus on people at risk of unemployment and on helping them to make them more employable. Member States will be invited to create initiatives that integrate active forms of support - education, training and vocational rehabilitation - with income support, so that we reduce long-term dependency on income and help people to get back into the labour market. There will be a specific Community Initiative - EQUAL - which will target funding at



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the root causes of the discrimination and poor job prospects faced by a number of groups of people, including those with disabilities. It will provide support for innovative projects that promote labour market inclusion for all. In addition, Member States will have to do something totally new in their new Social Fund Programmes - they will have to make an amount of funding available in the form of small grants to NGOs and local partnerships to allow them to undertake employment-related activities. This is potentially very important for all organisations of people with disabilities which could be in the

forefront in coming up with ideas under this heading.

Another major development brought by the Amsterdam Treaty is the insertion of a new Article 13 which has considerably increased the scope for anti-discrimination policies at EU level. Disability organisations have attached particular significance to the Article and have been eagerly awaiting ratification of the Treaty. Commissioner Flynn expressed his willingness to implement a comprehensive strategy in that field as soon as possible which would include legislation against discrimination in employment and occupation on all the grounds referred to in Article 13 of the Amsterdam Treaty, and an action programme consisting of a wide array of complementary measures.

In addition to Article 13, the Final Act of the Amsterdam Treaty specifies that, in drawing up measures on the completion of the Single Market, the Community institutions must take account of the needs of people with disabilities. In this context, in 1997 the Commission adopted a proposal for a directive relating to special provisions for vehicles used in the carriage of passengers comprising more than eight seats in addition to the driver's seat (buses and coaches). The latter requires that passenger-carrying vehicles designed to provide urban and interurban services should be accessible for people with reduced mobility. Issues relating to access are also of the utmost importance in the context of the information society. One major EU disability event

of the last years - the US/EU Conference "Harnessing the Information Society to Raise Employment Levels for People with Disabilities", which was held in Madrid in October 1998, stimulated a seminal debate on disability between the United States and the European Union. The conference outlined in particular the need to create adequate markets for people with disabilities and to use the information society and new technologies to create jobs which do not exclude anybody.

In conclusion, a number of important strands of activity are coming together just now, all geared towards making it easier for disabled people to become active members of society. The Commission has certainly managed to move forward on this aspect and has proven its readiness to play a leadership role in that field at European level by setting the example, by facilitating partnerships within and between all sectors, by promoting a culture of change to address disability issues, and by continuing to fulfil its mandate in its areas of responsibility.

Website:

[http://europa.eu.int/comm/dg05/socprot/disable/index\\_en.htm](http://europa.eu.int/comm/dg05/socprot/disable/index_en.htm)





## OLDER PEOPLE

Though policies for the elderly are a major element of social policy in all Member States and there is an older people aspect to most parts of social protection and employment policies, there is no clear treaty provision for activities in this field at EU level. However, the Commission has begun to develop its research and analysis of the demographic dimension which is becoming one of the major changing factors in all the dominant social policies.

For that purpose, the Commission has produced three Demographic Reports (in 1994, 1995 and 1997). In them, it develops a common frame in the field of demography and analyses the demographic dimension and its implications for social policy. In this way, it aims to improve quantitative assessment of policy options and attempts to take into account the effects of population ageing on social and economic development and public policies. The analyses centred on the impact of demographic change in the labour market, the regional dimension of ageing and finally the demographic situation in the applicant countries until 2015.

In October 1998, Vienna hosted a major conference entitled "A society for all ages", which focused on demographic change in the Europe and the world, its influence on employment and growth, health and care services, pension reform and intergenerational solidarity.

On policies proper, the way was a bit less straightforward.

The European Community financed a programme (1991-93) culminating in a very successful

European Year of Older People and Solidarity between Generations in 1993, which was followed by the development of a proposal for an action programme on Older People, put before the Council in spring 1995.

Warmly backed by Member States and resounding across the Union with its promotion of a new positive image of older people as resourceful contributors, the European Year gave concrete substance to the idea of a citizens Europe and created high expectations of tangible benefits to older people from the European integration process. At the same time the Maastricht Treaty had provided a legal base for attention to changes in the demographic situation of the Union, notably the prospects for rapid ageing.

It was therefore surprising that it turned out to be impossible to get all Member States to support the proposal for an action programme to take the momentum forward. Like the Year the programme was based on Article 235. But unlike before, this now became a stumbling block, which prevented agreement. With most powers decentralised to regional and local authorities in Member States older peoples policy formed a classical case for invoking the subsidiarity principle - and one Member State insisted that there was neither a need nor a legal basis for a Community programme in this area.

The absence of clear legal entitlement proved further troublesome when the UK government challenged the basis for expenditure before the European Court and caused a de facto freezing of expenditure under the older people's budget headings for the next two years.





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Given these setbacks it was hoped that the lack of treaty title could be rectified at the upcoming Intergovernmental Conference. And while attempts at the Amsterdam Treaty negotiations to secure

a specific mentioning of older people proved fruitless, other new titles in articles 13, 127, 129 and 137 did in fact open possibilities for doing something for older people affected by unemployment, (age) discrimination, or social exclusion.

With the approach of the UN Year, the immediacy of a Court ruling and the ratification of the new treaty well under way, things finally began to improve in 1998. Yet, it was clear that some basics had changed. There would not be a general programme for older people as such. The new Treaty and current policy necessitated a different approach: a shift from a target group focus to a horizontal approach with an emphasis on the new possibilities for support for older people in situations of particular need i.e. when unemployed, socially excluded or discriminated against. At the same time efforts would now be made to take account of older peoples policy and related ageing issues in key economic, social protection, employment and health policy areas.

After a ruling against the Commission in May 1998 a new inter-institutional agreement was reached and Mr Flynn managed to unblock the social exclusion and older people budget headings by dedicating them entirely to activities in the run-up to the new articles on social exclusion and discrimination.

The launch of the UN Year of Older Persons in October 1998 raised the profile of the issue. The Commission developed its main contribution to the emerging policy debate on the elderly and related ageing issues in a communication on 'A Europe for All Ages', which sets out the implications of the changing age structure and proposes a strategy for effective policy responses. Active ageing, in the sense of working longer, retiring later, being active after retirement and engaging in healthy ageing life styles, is presented as a general strategy for individual and

societal adjustments to ageing, and as a prime tool for the promotion of intergenerational solidarity and harmony.

The concern about enabling people to work longer has become reflected in reference to the objective of a labour market open to people of all ages and a call for special attention to the needs of older workers in the 1999 Employment Guidelines. At the same time account is being taken of older people in preparations for proposals for action programmes and Community legislation based on Articles 13 and 137.

The combination of the employment process, possible future legislation outlawing discrimination in employment - including on the grounds of age - new action programmes against social exclusion and discrimination and a communication to focus the debate on the necessary adjustments to ageing may finally give the Community a sufficiently powerful mix of tools with which to make the most of the new opportunities for older Europeans in ageing societies.

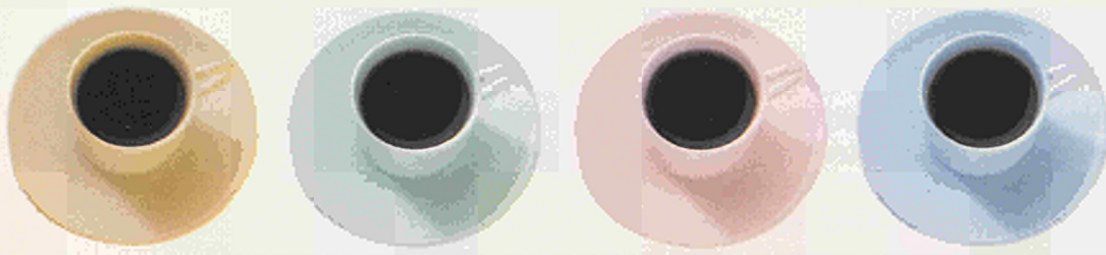
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## THE FIGHT AGAINST RACISM AND DISCRIMINATION

The European Community has a long tradition of fighting discrimination. The Treaty itself prohibited pay discrimination based on sex from the very beginnings of the Community and the first legislation on equal treatment for women and men dates back to the mid-seventies. Four multi-annual action programmes have taken the debate forward at European level over the past two decades. Separate programmes and initiatives have dealt with questions related to discrimination against people with disabilities and older people (see earlier articles).

There is also a strong history of condemning racism, xenophobia and anti-Semitism. There have been a number of commitments by the different European Institutions, starting in 1986 with a European Parliament report on the rise of fascism and racism in Europe, which was followed by a joint declaration against racism and xenophobia by the Council, the European Parliament and the Commission.

But the past five years have seen the vital shift from rhetoric to action. In 1995, the Commission published a communication on racism, xenophobia and anti-Semitism, which included a proposal to designate 1997 as the European Year Against Racism. In 1996, the Member States adopted a joint action under Article K.3 of the Treaty on European Union, in which they committed themselves to ensuring effective judicial cooperation to combat racism and xenophobia in the forms of public incitement to discrimination, violence or racial hatred, the condoning of crimes against humanity and human rights violations, the public denial of the Holocaust, the public dissemi-

nation of racist material and the participation in the activities of groups which involve discrimination, violence or racial hatred. In 1997, the Community established the European Monitoring Centre on Racism and Xenophobia and the Treaty was amended to allow wider action on discrimination. And in 1998, the Commission launched its Action Plan against Racism.

### The European Year Against Racism

The Year was officially launched in The Hague in January 1997. Speaking at the opening conference, the President of the European Commission, Jacques Santer declared: "Racism is more than the denial of differences, it is the denial of a fellow human being because of those differences. The fight against racism is part of building Europe, as racism is opposed to everything that Europe stands for in terms of democracy, tolerance and respect of human dignity." Pádraig Flynn, who had overall responsibility for the Year said "Our message is that racism goes against everything that Europe stands for. A common commitment to fundamental rights and freedoms. The common goal of peace, prosperity and opportunity.... opportunity for all."

Implemented in close cooperation with the Member States, four priority themes were established: racism in working life; racism in everyday life; awareness raising; and legislation as a tool to combat it. In total, over 1800 project applications were received and 176 projects were selected for funding. But these were not the only projects taking place during the year. There were many hundreds, if not thousands of ongoing



national, regional, local and European activities flying the flag of the Year, entirely independent of European funding.

A series of seminars were held for the funded organisations to exchange experience and maximise the results of their projects.

At the launch of the Year against Racism, the Presidents of the European Parliament, the Council and the Commission were invited by Commissioner Flynn to be the first signatories of a Declaration of Intent. The Declaration recognises that racism, xenophobia and anti-Semitism still exist in the European Union and that they contravene fundamental human rights as laid down in Community law and international declarations. It called on the signatories to commit themselves to the fight against racism and to take an active part in the Year. 3,200 key decision makers across the Union signed the Declaration of Intent – among them eight prime ministers and one President.

On a political level, two landmark events occurred during the Year, both greatly facilitated by the political momentum created by the Year itself. The first was the establishment of the European Monitoring Centre on Racism and Xenophobia (see below). The second was the inclusion of a general anti-discrimination clause (Article 13) in the new Treaty adopted at the Amsterdam summit and which came into force on 1 May 1999 (see earlier articles).

At the closing conference of the European Year Against Racism, Commissioner Flynn underlined its success. But it was clear that it was just the start.

## The European Monitoring Centre on Racism and Xenophobia

The need for European action has become more and more apparent with the increasingly transnational character of racist propaganda and incitement to racial hatred. The European Council meeting in Cannes on June 1995 called on the Consultative Commission on Racism and Xenophobia, set up in 1994 by the European Council, to study the feasibility of a European monitoring centre to enable the European Union to strengthen its role as a force in the struggle against both phenomena and to develop a global strategy to stamp them out.

The Consultative Commission concluded that only a monitoring centre would be in a position to monitor trends in racism and xenophobia in the Union closely, to alert the European institutions, Member State governments and the political world to these trends and to encourage them to take concrete political measures. What is more, only a European centre could ensure coordination of the many activities under way in this area. It could therefore help the Union to move towards a more "ethical" Europe.

These conclusions were endorsed by the Florence European Council in 1996 and the Council subsequently adopted the Commission's proposal to establish the Centre in June 1997. The Centre



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is based in Vienna and its main purpose is to provide the European Union and the Member States with objective, reliable and comparable information at European level, and thus improve the exchange of information and experience. To do this, it will closely monitor the extent and development of racism and xenophobia within the European Union, analyse their causes and formulate conclusions for the Community institutions and Member States. After an initial setting up phase, it will publish its first annual report some time this year.

## **A new European structure for anti-racism organisations**

In the lead-up to the European Year Against Racism, the European Commission was approached by a number of anti-racism organisations which were keen to explore the idea of creating a European network of anti-racism organisations. The Commission responded positively to the idea and commissioned a feasibility report which concluded that "the European Commission should continue to encourage non-governmental organisations to co-operate at European Union level and give sufficient time to structure this cooperation".

In November 1997, 130 anti-racism organisations from throughout the Union came together in Brussels to discuss and develop the idea of European level cooperation. In his address to the participants Commissioner Flynn pledged his full support to whatever decisions were made at the meeting but stressed that it was up to the participants themselves, and not the Commission, to choose the road to follow. Participants concluded that there was a need for more coordinated cooperation at a European level between various anti-racism organisations, notably after the adoption of the Treaty of Amsterdam, which includes an anti-discrimination clause for the first time. There is also a need for a European level structure to facilitate this cooperation.

All those involved in the discussions met again in October 1998 and formally established the European level structure of anti-racism organisations. The European Network Against Racism is now up and running and has established itself as a natural partner for the Commission in the development of European policy.

## **The action plan against racism**

In March 1998, the Commission adopted its action plan against racism, setting a medium-term framework for the fight against racism at European level. The Plan proposes practical and procedural measures to prepare for future and more ambitious action to combat racism at European level, in particular within the framework of the new Treaty provisions on non-discrimination. It draws together all concerned – citizens, national and local authorities, non-governmental organisations, social partners, media and sports bodies – in the fight against racism in the European Union. The Action Plan has four strands:

### **1. Paving the way for legislative initiatives**

The Plan set out a number of concrete measures designed to pave the way for the early use of Article 13 to combat racial discrimination and signalled the Commission's intention to table a proposal for legislation to combat racial discrimination before the end of 1999.

### **2. Mainstreaming the fight against racism**

Many Community policies and programmes can contribute to the fight against racism. As part of the Plan, the Commission committed itself to developing a mainstreaming approach to combating racism and discrimination and promoting integration across all relevant sectors. An inter-service group was established within the Commission to push this process forward.

### **3. Developing and exchanging new models**

The Commission supports a range of projects and networks which show innovation in combating racism, and which actively promote EU-wide exchange of experience. The Commission committed itself to taking forward this action in preparation for the implementation of the new non-discrimination provisions of the Amsterdam Treaty.

### **4. Strengthening information and communication action**

The plan recognised that raising awareness of the dangers of racism must be at the root of any coherent strategy to combat it. The Commission therefore undertook to build on the information and communication work launched during the European Year Against Racism and to give European level action a clear and recognisable





identity and to co-operate with various media partners to promote codes of good practice for journalists, editors and advertising bodies alike.

Before the end of 1999, the Commission will publish a report highlighting the progress achieved and evaluating the impact of the action plan.

### The way ahead

The changes in the institutional environment facilitated by the success of the European Year Against Racism and other initiatives have opened a new range of possibilities to fight discrimination, and not only on grounds of race. The Community has developed beyond sectoral activities focused on one ground of discrimination to take on an integrated and coherent approach to the problems of discrimination as a whole

Since the signature of the Treaty of Amsterdam, the Commission has consulted widely with the Members States, the social partners and the NGO community, on the means to give effect

to the new non-discrimination provisions of Article 13. In that consultation, a broad consensus has emerged on the need for legislative measures on both racial discrimination and on the other grounds of discrimination cited in Article 13, together with a programme of practical action to support measures to promote non-discrimination. The legislation would extend obligations on Member States to prohibit discrimination on all grounds in employment, sanctioning discriminatory behaviour and providing effective redress for the victims. Building on the political momentum of past operations, the legislation would go further to prohibit discrimination based on racial or ethnic origin to cover a range of social and economic fields. Based on this consensus, the Commission intends to come forward soon with proposals to combat discrimination on all the grounds cited in Article 13.

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