

5. The Group of Employers notes that the Heads of Government declared at Lisbon that certain Community rules should be re-examined in order to adapt them to the Principle of Subsidiarity and believes that this action should equally involve those proposals under the Social Action Programme which are currently under discussion.

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Opinion on 'Social Developments in the Community in 1991'

(92/C 287/13)

On 27 May 1992 the Economic and Social Committee, acting under the fourth paragraph of Article 20 of its Rules of Procedure, decided to draw up an Opinion on: 'Social Developments in the Community in 1991'.

The Section for Social, Family, Educational and Cultural Affairs, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 18 June 1992. The Rapporteur was Mr Löw.

At its 298th Plenary Session (meeting of 2 July 1992) the Economic and Social Committee adopted the following Opinion with no votes against and five abstentions.

1. Introduction

1.1. The annual Opinion from the Committee on social developments will this year place its main emphasis on labour market and employment development, bearing in mind the conclusions of the Commission's annual report on 'Employment in Europe 1991'. The annual report on 'The Implementation of the Social Charter' as mentioned in paragraph 29 of the 'Community Charter of Fundamental Rights of Workers' will be dealt with separately in another Opinion.

1.2. The Committee considers that the results of the European summit in Maastricht have, on the whole, been basically positive. It sees in them progress towards a common European social area. The new areas and procedures laid down in the protocol on social policy in particular mean the creation of a social Community, alongside the European Economic Community. The Committee regrets however that the agreement on social policy annexed to the protocol was signed by only 11 out of 12 Member States. It would therefore be desirable for the twelfth Member State to endorse these new agreements as soon as possible. There is a fear that there may be a social policy split in the Community, with the result that there would be one European social policy for 11 Member States and another for 12 Member

States. But a 'two-speed social area' is largely undesirable. It should not be possible for different basic social rights or social protection levels to be created in the Member States. Such a situation could seriously hinder freedom of movement for workers and lead to distortions of competition in the Community.

1.3. The Committee will express its views on this topic in a separate Opinion. However, it asks right now that the legal and political incorporation of the Treaty of Maastricht and the Protocol of Maastricht be clarified and trusts that the Treaty will be ratified as quickly as possible by the Parliaments and fully applied in all Member States.

1.4. Most EC social policy in 1991 was related to the Social Charter and the Social Action Programme. By 1 November 1991 the Commission had presented 46 of the 47 initiatives announced in the action programme, of which 34 were proposals by the Commission to the Council. As of 30 June 1992, 13 of these proposals had been finally adopted by the Council: four of them in the field of health and safety at the workplace and two on other working conditions.

In the case of three proposals the Council has drawn up a common position, while 12 others are still under consideration by the Council. Consideration of three of these has been postponed.

The Committee will express its views on this subject in an Opinion on the implementation of the Social Charter.

2. Labour Market and Employment Developments

2.1. The year 1991 was marked by a slowdown in job growth and a rise in unemployment. This was largely due to the generally worsening economic situation.

Economic growth in 1991 was practically stationary at + 0,2 %. Then there were specific problems in certain sectors, such as armaments and cars. Moreover, worldwide many export markets are in a recession and, above all, the collapse of Eastern European markets has had a dampening effect on the whole Community economy.

Community GNP rose by only 1,3 % in 1991, compared with 2,8 % in 1990. According to the Commission's estimates the economy will only start to pick up slightly towards the end of 1992, achieving a rate of around 1,7 % for the Community as a whole. A growth rate of about 2,3 % is expected in 1993.

2.1.1. As some Member States did not carry out proper adjustment measures in the 1980s some major structural changes were not accomplished. The Member States have done too little to protect themselves against the painful consequences of a worldwide recession, particularly as regards combatting inflation, consolidating national budgets, reducing public-sector deficits and dismantling subsidies.

2.1.2. Unemployment is still extraordinarily high at around 9 %, or 12 million. The position is worse than in previous years. As further job losses are to be expected, this is a bad starting point. The Commission therefore assumes that further negative effects are to be expected and that unemployment will rise to about 9,5 % by 1993.

The Committee points out once again that this trend could lead to social tension in the Community. Social cohesion therefore needs to be reinforced to give people in the Community better prospects for the future.

2.1.3. Although 9 million new jobs were created in the period 1985-1990, job growth clearly slowed down in 1991. This trend is expected to continue in 1992 in view of a forecast growth rate of around 1,7 % and an inflation rate of around 5,5 % for the Community in 1992.

It appears in any case that these estimates are currently being revised downwards, making the situation still less favourable.

2.1.4. The labour market in the Community as a whole has become more adaptable, but businessmen and workers should adapt their working methods and practices even more than hitherto to changing circumstances. Above all, new jobs must be created. The approach to this necessary objective should be twofold: adaptation and reorganization of working time taking account of production requirements, and giving workers the chance to express and satisfy the needs resulting from this.

In the light of this changed environment firms must show a high degree of flexibility. In return they will encounter greater flexibility in the labour market.

This changed environment means that workers must be more highly trained and employment conditions and practices changed to reflect this.

The two sides of industry must seek to strike a balance between demands and the resources available.

2.1.5. This important objective can only be achieved if:

- governments consolidate national budgets better;
- an appropriate industrial and structural policy is drawn up and consistently implemented as indicated above.

2.2. On the European labour market the supply of jobs has increased, whilst there has been a shift in the demand for labour to the services sector and away from agriculture and industry.

A large proportion of job offers are for part-time or temporary work.

2.2.1. As before, both the under-25s and women are particularly hard-hit by unemployment. Young people

make up around 35 % of all unemployed and, at 30 %, are the largest group among the long-term unemployed.

The Committee feels that under the circumstances the Commission must adopt more energetic measures:

- to improve the basic and vocational training of young people;
- in favour of ethnic minorities, which have a particularly high proportion of long-term unemployed;
- to monitor the effectiveness and operation of its measures in favour of disabled workers and to step up efforts to improve these.

2.2.2. The situation of working women in the Community is still worse than that of men. The proportion of unemployed women is increasing at a much faster rate (about five times faster). Women make up 51 % of the EC's total population and 41 % of its potential labour force; but only 47 % of them are actually employed. Among men the figure is 75 %.

The low employment rate among women is largely due to the number and type of jobs available, or to the large number of jobs that are not suitable for or wanted by a wife and mother. Coordinated action by firms and all competent institutions is needed to provide an adequate number of suitable kindergartens, in order to give these women new opportunities.

2.2.3. The rise in the amount of part-time work is due to an increased demand from (a) business, and (b) workers, especially women, whose family situation and/or inadequate skills mean they have fewer opportunities and who thus cannot find full-time employment. On average every third newly-created job between 1985 and 1989 was a part-time job. The proportion of such jobs held by women is around 40 %.

The ESC has repeatedly issued Opinions on the problems of part-time work in recent years. Most important among these is that of 30 April 1982 ⁽¹⁾.

2.2.4. As before, long-term unemployment is a particular problem. Of the registered unemployed in the EC more than half, or around 6 million people, have been without work for more than a year. Despite major changes on the jobs market in recent years (increase in employment) this figure has remained practically the same. The ESC has repeatedly called upon the Commission to devote more attention to the question of

long-term unemployment in order to induce the Member States to adopt a more active labour market policy. The Committee thinks it is inadmissible that in many EC Member States the long-term unemployed are still only compensated financially. As well as financial help provision must be made for increased training, re-training and further training so that the long-term unemployed can have a chance of being re-integrated into working life.

Long-term unemployment often leads to poverty for the people concerned and their families. The ESC has specifically taken a position on this issue, most recently in its Opinion of 12 July 1989 (CES 834/89). As before, the most important demands have not been properly tackled.

2.2.5. As before, it is evident that in the Community there is a supply-demand mismatch on the labour market, since, despite the high number of unemployed, there is a certain shortage of skilled workers. While prognoses may differ, the need for unskilled labour will, in all likelihood, further decrease and the demand for skilled workers, especially those with scientific and technical training, will increase.

2.2.6. The Committee shares the Commission's view that workers in the Community will require a high general level of education and a level of vocational training in keeping with the dictates of modern technology in order to meet the demands of the future.

2.2.6.1. There are so far no comparable national training schemes in the Community. To overcome this deficit without destroying the national structures which have grown up will, in the Committee's view, be one of the Community's most important tasks in facing the frontier-free European labour market. Cedefop should play a still greater role here.

2.2.6.2. All the same, it is difficult to gauge future skill requirements and their effects on the competitiveness of EC firms, as the economy's demand for skilled workers depends strongly on the products, means of production and production processes of existing firms.

2.2.6.3. It is also difficult to predict technical development. The introduction of new technology often leads to a restructuring of job, and therefore skill requirements. The Commission is asked to develop procedures, whilst exercising due caution, to permit such forecasts to be made. Forward planning by firms and vocational training establishments could be helpful in assessing needs.

⁽¹⁾ OJ No C 178, 15. 7. 1982.

2.2.7. The Commission has in recent years increased considerably mutual recognition of qualifications and diplomas, especially in the academic sector. The Committee feels that such work should be accelerated for all occupations, bearing in mind the impending single market in 1993.

2.2.8. Three categories should be distinguished in the recognition procedures:

— Recognition of university diplomas.

The Commission has already done considerable work in this area, e.g. with regard to doctors and the nursing professions, vets, architects, pharmacists and lawyers.

— Recognition of professional training certificates.

In this area the 1989 recognition Directive [COM(89) 372 final] has already brought progress, albeit so far only for a few professions.

— Correspondence of professional training certificates.

This is the most important area for workers. The Commission has so far only submitted seven communications on the subject, covering only a small part of the training professions.

2.2.9. The Commission's job clearing scheme SEDOC has so far had no effect. The Committee believes that a basic and fundamental reform is needed here. It suggests that the cross-border clearing schemes that are already operating in frontier areas in the so-called 'Euregions' be developed further and extended. The experiences gained here — exchanges between some frontier-area labour officials are already in operation — could provide impetus for a reform of the SEDOC scheme.

2.3. *Employment and Immigration Policy*

2.3.1. The Community as a whole is under increasing pressure from immigration, especially from Eastern Europe and the Maghreb countries of the Mediterranean, if people come from there to seek work in the rich West (or North). If the situation remains one of low employment growth and high unemployment, as is the case in the EC at present, such pressure will lead to enormous social and economic difficulties which could make any integration of immigrants into the host countries problematic. The ESC has already considered these questions in two Opinions⁽¹⁾. It again calls upon the Commission to develop a Community policy strategy for immigration from non-EC countries. Such a policy is also necessary for those seeking asylum. The

hitherto differing treatment of asylum and immigration policy in the individual Member States can and will, in the ESC's view, lead to considerable problems for those concerned and for the population. A policy which is fair to all can only be found through a Community solution.

The ESC is concerned to see that in almost all Member States there is an increasingly hostile feeling among the public against foreigners. It condemns any form of racism or xenophobia, and calls upon the Community and all the Member States to take appropriate steps to combat these phenomena and, above all, to prevent their spread socially and politically: a great deal can be achieved through proper information and training as well as through the promotion of dialogue and mutual understanding between Community and non-Community citizens.

2.3.2. The ESC does not think that the treaty with the EFTA countries will lead to any large-scale migration. Enquiries carried out so far in the ESC/EFTA Joint Committee show that hardly any problems can be expected. However, one question which should be clarified is what treatment should be given to people who emigrate to the EC via an EFTA country.

3. *Priorities for a growth-orientated employment strategy*

3.1. Any improvement in the labour market situation depends primarily on extra new jobs being created. The ESC believes the Community should take care to see that conditions for attracting job-creating investments are created in all Member States. This includes better infrastructure and closer cooperation between governments at Community level. The general economic situation too has a decisive bearing on any attempt to improve the labour market situation. The ESC has issued a separate Opinion on this matter⁽²⁾. The Commission should make more use of the possibilities it has of supporting the policies of Member States' governments. Greater coordination of input from the Social Fund, the Structural Fund and the newly-created Cohesion Fund is needed here. Where necessary the conditions for using the Social Fund should be changed. The two sides of industry can play a particular role here. They should be involved more in the distribution and coordination of resources, especially in the regions. Trade unions and employers have already produced joint proposals at European level for a cooperative growth strategy. Not only the quantitative, but also the

⁽¹⁾ Own-initiative Opinion on the Legal Status of Migrant Workers from Third Countries, OJ No C 159, 17. 6. 1991. Opinion on Immigration Policies, OJ No C 40, 17. 2. 1992.

⁽²⁾ Opinion on the Economic Situation in the Community (OJ No C 79, 30. 3. 1992); Additional Opinion on the Economic Situation in the Community (OJ No C 98, 21. 6. 1992).

qualitative application of resources is crucial. There must be a guaranteed regular monitoring of resource use by independent bodies and the two sides of industry.

3.2. The basic precondition for combatting youth unemployment and long-term unemployment is better worker training. It has been shown that in Member States where young people are given work or professionally-oriented training as soon as they leave school, they have more chances on the labour market, especially when changing jobs, than those in countries without any such basic training. The ESC feels that after Maastricht the Commission has now been given a foundation on which to develop suitable instruments to ensure that young school-leavers in all Member States are given vocational training which equips them to find skilled jobs. The so-called 'sandwich course' system, where practical on-the-job training is combined with theoretical vocational training in college, has proved to be the most successful.

In addition, what the ESC has said many times before also applies here: more jobs are needed for young people. A better distribution of work and a better organisation of work through re-structuring would be wise.

3.3. The Commission should also take appropriate steps to ensure that workers in all Member States have the possibility, if they are unemployed or threatened with unemployment, of receiving further education and re-training, so as to prevent them joining the long-term unemployed or becoming unemployable. The ESC believes there should be a preventive policy to re-train workers threatened with unemployment.

In all these measures steps must be taken to ensure that the unemployed receive enough money to maintain themselves while they are being re-trained. The ESC recently issued an Opinion on this too⁽¹⁾.

There are particular problems in Member States which are still overwhelmingly based on agriculture. The ESC thinks that a special Community programme is necessary for workers losing jobs in agriculture.

3.4. To prevent workers, especially women, who are working part-time or under fixed-term contracts from being placed at a disadvantage, the Commission and Council are asked to conclude and put into practice right away those Community instruments which are already on the table. The same applies for temporary

workers. The fear here is that the abolition of border checks may lead to a big increase in illegal cross-border temporary work. Here too the ESC calls for the quickest possible conclusion of Community instruments which have been submitted.

3.5. The ESC welcomes the initial decisions on a fundamental reform of the SEDOC scheme. The experiences which have been acquired in border areas with the cooperation of employment offices close to the frontier could be used for the SEDOC scheme.

3.6. The ESC calls upon the Commission to develop as soon as possible Community directives on immigration policy towards non-EC nationals and the treatment of asylum-seekers.

4. Social Dialogue

4.1. The ESC is pleased that the efforts of European trade unions and employers to develop the social dialogue further have found expression in the Maastricht treaty. The agreements reached in October 1991 were essential in ensuring that a new form of social policy cooperation — agreements between the two sides of industry — was incorporated into the Maastricht treaty. With this it has been recognised that the two sides of industry are ready, as autonomous parties and on their own responsibility, to take part in the social shaping of Europe. The ESC is regarding the further development of this cooperation with interest and hoping it will lead to European skeleton agreements which can stand alongside the legislation of the Community institutions. It considers that it is too early for the moment to pass judgment on the relationship between the two sides of industry in the narrower sense and on the role of the Committee in social legislation. But it does feel that the work in the social dialogue and in the ESC can be broadened and not be ruled out and that thereby a European social policy can be implemented better and more effectively. It is important that the two bodies work well together and do not call each other into question.

The new cooperation arrangements between management and labour are of undoubted importance. However, many other interest groups (e.g. farmers, craftsmen, traders, small and medium-sized businesses, the professions, consumers and ecological groups, and representatives of cooperatives, mutual societies, non-profit associations and families) are also expressing a legitimate wish to increase their capacity for participation in decision-making on economic and social development.

⁽¹⁾ Information Report on Poverty (CES 421/88); Opinion on Sufficient Resources and Social Assistance in the Social Protection Systems (OJ No C 14, 20. 1. 1992).

5. The Role of Small Firms and the Self-Employed

Small and medium-sized firms and the self-employed, particularly the crafts sector, play an important role in the labour market in all EC Member States. Their contribution to countries' national product is still extraordinarily high. Above all they play a special role in the training of young people and shoulder the main vocational training burden in many Member States. The ESC is currently preparing an own-initiative Opinion on the role of small and medium-sized enterprises (SMEs) in which their importance as employers and their role in vocational training will be thoroughly examined.

Done at Brussels, 2 July 1992.

*The Chairman
of the Economic and Social Committee*

Michael GEUENICH

6. Environmental Protection and Labour Market Policy

Environmental protection is today in the minds of all sections of the population. Environmental compatibility and consumer friendliness are today an integral part of a product's quality. Industries active in environmental protection are sectors of innovation with progressive technology in all countries of the Community. They are helping more and more to create new jobs and, above all, jobs with a future.

Another important sector for the labour market is waste recycling, which the ESC thinks should be given greater attention. Nor should one overlook the growing importance of sectors dealing with energy-saving.

Opinion on the proposal for a Council Directive harmonizing the term of protection of copyright and certain related rights⁽¹⁾

(92/C 287/14)

On 23 March 1992 the Council decided to consult the Economic and Social Committee, under Article 100A of the Treaty establishing the European Economic Community, on the abovementioned proposal.

The Section for Industry, Commerce, Crafts and Services, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 10 June 1992. The Rapporteur was Mr Pardon.

At its 298th Plenary Session (meeting of 1 July 1992), the Economic and Social Committee adopted by a majority, with 17 dissenting votes and 6 abstentions, the following Opinion.

1. General comments

1.1. The aim of the proposed Directive — to harmonize the term of protection of copyright and certain related rights — reflects the concern voiced by the Committee on many occasions.

1.1.1. For instance, in its Opinion⁽²⁾ of 25 January 1989 on the Green Paper on Copyright and the challenge of technology — Copyright issues requiring immediate action, the Committee regretted (point 2.6) the 'lack of uniformity in the content of copyright and the term of copyright'. It called (point 3.1.2.3) for an urgent study of the term of copyright: formulae must be found 'for

⁽¹⁾ OJ No C 92, 11. 4. 1992, p. 6.

⁽²⁾ OJ No C 71, 20. 3. 1989.