

## UNICE contribution to the definition of a new agenda for social policy

### Introduction

1. UNICE has noted the Commission document on the preparation of a new agenda for social policy. The purpose of this document is to launch a debate on the content of the forthcoming Communication on “a new economic and social agenda, designed to modernise our economy for the digital age in a manner which supports sustainable development whilst re-modelling our systems of social protection in order to build a fair and caring society”.
2. The Commission seeks input in terms of:
  - analysis of the key changes taking place,
  - reflections on the development of methods and tools to achieve the new economic and social agenda,
  - formulation of concrete actions to be undertaken and supported at European level in the short and medium term.
3. UNICE’s ideas on these issues have been presented in its document “Releasing Europe’s employment potential, companies views on European social policy beyond the year 2000”, which was sent to the Commission at the end of September 1999. Nevertheless, in order to contribute to the debate launched by the new Commission note, UNICE would like to comment on some elements presented in the note and make suggestions on the content of the future Commission communication.
4. UNICE supports the purpose of the document and welcomes the organisation of a debate at an early stage of definition of this new agenda. However, it regrets that the content of the Commission note, and the way in which the key questions are formulated, do not reflect the stated purpose and is not conducive to a meaningful debate on the content of a new social policy agenda.

### On the analysis

5. According to UNICE, in its future communication on a new agenda for social policy, the Commission should start with the analysis that
  - economic and social challenges are linked,
  - most of the social problems alluded to in its discussion note would disappear if employment growth was improved in a competitive Europe,
  - competitiveness requires efficient social systems but these must take account of the need to live within our means otherwise they will become counterproductive,
  - technological change, globalisation and demographic developments have shaped truly new terms for the functioning of labour markets requiring forward looking structural reforms.

6. The Commission note states that “The new social policy agenda should emphasise that people are central to the renewed and modernised European model - both as creators of income and wealth, and as consumers. Labour markets cannot be treated simply like commodity markets. Social protection and redistribution of wealth are to be organised so as to be conducive to both economic growth and social progress.” UNICE fully agrees that creators of wealth – employers, employees or self-employed - and consumers must be central and that people cannot simply be treated as commodities. However, social well being cannot be created if labour markets do not take account of market forces. Moreover, social protection and redistribution of wealth mechanisms should be organised so as to be conducive to economic and employment growth in order to lead to social progress.
7. The guiding principle proposed for the new social policy agenda is “that social policy is a productive factor”. This formulation gives the impression that any social policy is a productive factor, regardless of its content. In order to bring together the triangle of economic, employment and social policy, as proposed in the note, it would be more accurate to state that the guiding principle of the new social policy agenda should be to ensure that social policy is a productive factor.

### **On the methods and tools**

8. Concerning the content of the new agenda, UNICE believes that it should clearly place itself in the pursuit of the new strategic goal agreed in Lisbon, which is to turn the Union into “the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion.”, and primarily rely on the methods agreed by the European Council, namely:
  - fixing guidelines for the Union combined with specific timetables for achieving the goals which they set in the short, medium and long term,
  - establishing, where appropriate, quantitative and qualitative indicators and benchmarks against the best in the world and tailored to the needs of different Member States and sectors as means of comparing best practice,
  - translating these European guidelines into national and regional policies by setting specific targets and adopting measures, taking into account national and regional differences,
  - periodic monitoring, evaluation and peer review organised as mutual learning processes.
9. When proposing this, UNICE believes that it is essential that any Commission communication should not confuse setting guidelines and agreeing on a monitoring mechanism based on qualitative and quantitative indicators with artificial quantitative targets, which focus on the symptoms and not the remedies to the underlying causes of the problems encountered.
10. The European Council also stressed that a fully decentralised approach will be applied in line with the principle of subsidiarity, in which the Union, the Member States, the regional and local levels are actively involved, as appropriate. Respecting this injunction is particularly important in the field of employment and social policy as improving the speed of reaction of labour markets and reforming social protection systems presents different challenges in each Member State.

### **On the role of social partners**

11. A feature of European economies and societies is that there are highly developed and varied industrial relations systems in each country. Both the Treaty, by recognising the role of social partners, and the conclusions of the Lisbon Council, by making explicit references to the need to involve social partners as part of its new subsidiarity based approach, have taken this into account.
12. European employers, have every intention to live up to their social responsibilities, including by entering into negotiations at European level when they see added value in doing so. However, in

order to find balanced solutions responding both to employers' and employees' needs, social partners must also respect the principle of subsidiarity. This means that

- European social partners should focus on those areas where action at the European level can add value and should not try to substitute or pre-empt social actions at other levels. Pressures to take action at inappropriate levels would lead the EU social partners adversely interfering in actions at national, regional, sectoral or company levels. Given the fact that it is in Member States that concrete actions to achieve the new strategic goal of the EU must be taken, the social partners contribution will primarily take place in Member States.
- Social partners' role at EU level should not be understood as being limited to negotiations of binding agreements only. Indeed, their dialogue at EU level should be primarily based on structured exchanges of experience and benchmarking aiming at creating transparency in order to promote best performing practices. Furthermore, the value of structured discussions leading to a better understanding of each others' positions as part of the process of gradual creation of consensus around effective EU policies should not be underestimated.

13. Finally, if the social dialogue process is to be successful, it is essential, to avoid public interference in the areas of competence of the social partners, including at EU level. This means that, when proposing policy measures at EU level, the Commission should adopt a neutral position and avoid pre-empting discussions between the social partners.

14. Translated into operational terms, this means that the Commission should:

- organise the official two-stage consultation of social partners required by the Treaty for all legislative initiatives based on any article of the social chapter of the Treaty, prepare sufficiently broad consultation documents to leave room for possible negotiations, and provide independent detailed analysis in good time where necessary,
- leave sufficient time for reply to allow consultation of social partners members at grass-roots level,
- organise efficient consultation of social partners on non-legislative policy measures and initiatives dealing with subjects of social partners competence.

UNICE is aware that the Commission has to organise consultations in a complex environment with various fora and committees. In order to facilitate the Commission's task and the timeliness of responses of the social partners, UNICE suggests to have, at the beginning of each year, a discussion on how to plan and organise social partners consultations on employment and social policy issues which are included in the Commission yearly work programme.

### **On the concrete actions to be undertaken and supported at European level**

15. The Commission note covers some key policy areas or themes but leaves important aspects out. Moreover, the logic which was followed to present them is difficult to grasp. For example, in UNICE's view, health and safety at work deserves a section of its own in a new agenda for social policy. Similarly, education and training, a prominent feature in the conclusions of the Lisbon European Council, would also deserve to be given more attention and visibility than in the future Commission communication.

#### Employment

16. Releasing Europe's employment potential must be the key objective of all EU policies, including social policy. In addition, with the Employment title of the Treaty, the EU has given itself a new tool to monitor and co-ordinate national employment policies. The Luxembourg process and the

implementation of the European employment guidelines should remain the key instrument to achieve this objective. The questions formulated in the discussion note, could be misleading in so far as they suggest that there would be single solutions applicable across Europe (see also comments on method and tools under paragraph 8 to 10).

17. In terms of policy content, the future Commission communication on a new economic and social agenda should limit itself to
- re-affirm the importance of the Luxembourg process as a key tool to reach social policy goals,
  - explain how the ESF will support and promote the development of dynamic labour markets.

#### Education and training

18. As explained earlier on, this subject, would deserve a section on its own in the Commission communication, notably to recall the conclusions of Lisbon on this subject.
19. UNICE priorities were presented in a recent publication entitled “For education and training policies which foster competitiveness and employment”. It outlines the diversity of the strategies and systems across Member States, which result from different traditions and legal contexts, and the importance of respecting such diversity.
20. Moreover, the social partners have recently agreed to reactivate the education and training working group of the social dialogue to discuss how to build on their joint opinions in this area and on the joint analysis of social partners’ initiatives relevant for the implementation of the employment guidelines (to be finalised by June 2000).

#### Social protection

21. One of the key challenges facing European countries is the reform of their social protection systems. A concerted strategy for modernising social protection has been launched recently. Here also, the questions formulated in the discussion note, could be misleading in so far as they suggest that there would be single solutions applicable across Europe. The Commission’s communication, “A concerted strategy for modernising social protection”, offered useful means of achieving four broad objectives – making work pay, making pension safe and sustainable, promoting social inclusion and high quality health care.
22. In terms of policy content, the future Commission communication on a new economic and social agenda should
- highlight the importance of the new concerted strategy as a tool to achieve social policy objectives and refer explicitly to the annual publication of a report on social protection based on Member States contributions,
  - explain how the Commission will deal with remaining obstacles to labour mobility linked to cross-border portability of supplementary pensions.

#### Health and safety at work

23. As explained earlier on, health and safety at work deserves a section of its own in a new agenda for social policy. UNICE is currently developing a document presenting employers’ priorities regarding occupational safety and health, which will be sent to the Commission as soon as possible.
24. Contrary to all the other fields mentioned in the Commission’s note, it cannot only be approached as an element of the new European strategy for employment. In terms of policy content, the future Commission communication on a new economic and social agenda should therefore at least

reaffirm that protection of health and safety at work is, with employment promotion, a central objective of social policy.

### Equal opportunities

25. European employers support the promotion of equal opportunities for all and the fight against discriminations for reasons of equity and economic efficiency. A section of its own should be devoted to this theme. However, as far as labour market aspect are concerned, now that the necessary legislative framework to combat discrimination between women and men is in place, and that the Commission has made new proposals based on article 13 of the Treaty, UNICE believes that the main tool to ensure equal opportunities for all European citizens are the European employment guidelines.
26. The Commission has launched a similar informal consultation on the content of the next gender equality framework programme. UNICE contribution to this informal debate is attached.

### **Conclusion**

27. To summarise, in its future communication on a new agenda for social policy, the Commission should
  - start with an accurate analysis of the underlying causes of Europe's economic and social challenges,
  - clearly place itself in the pursuit of the new strategic goal agreed in Lisbon,
  - primarily rely on the methods agreed by the European Council,
  - contain a clear commitment to give priority to social partners actions in their field of responsibility and to genuinely consult social partners on social policy issues,
  - present the Commission's intentions in all the main areas of social policy in a way which reflects the new methods and tools agreed in Lisbon. This means that for most parts of the Communication, the Commission should refer to existing processes, rather than presenting a list of detailed initiatives.

\*\*\*