

**Communication from the Commission - COM (2005) 33 final of 9 February 2005**  
**"Social Agenda"**

**CEEMET Position Paper**

**INTRODUCTION**

CEEMET represents the interests of employers' organisations in the metal, engineering and technology-based industries from 18 European countries with a particular focus on social policy issues. Furthermore, CEEMET has established and is developing a network of contacts with employers' organisations in the new EU Member States. Our member organisations currently represent around 200,000 companies, employing some 12 million people.

CEEMET has taken note of the Commission's Communication of 9 February 2005 on "the Social Agenda" and welcomes the fact that the Commission reaffirms that the sustainable development of Europe is based on "*balanced economic growth*" which is thus, and CEEMET shares this finding, a precondition for "*full employment and social progress*". However, in CEEMET's view, the Social Agenda is very wide-ranging and to a certain extent contradictory. Although we share most of the goals of the Commission, we do not share its ideas of how best to achieve these.

The Commission states that "*the added value of the Social Agenda is beyond doubt*". However, CEEMET believes that an extensive social agenda will inevitably have detrimental effects on employment by creating more legal constraints and imposing administrative burdens for companies.

Furthermore, the ten new Members States who only joined the EU in May 2004, as well as those who will join the EU in 2007, are still in the process of implementing the social "*acquis communautaire*" and will inevitably have difficulties in implementing any new legislative proposals. CEEMET therefore calls for a moratorium on any new legislative measures and urges the Commission to ensure a proper transposition and application of all existing Directives in the "old" and the "new" Member States.

**THREE CONDITIONS FOR SUCCESS**

To successfully achieve the goals set by the Social Agenda, the Commission has identified three conditions, namely 1. the need for an intergenerational approach which takes into account both older citizens and young people; 2. the importance of a partnership for change; and 3. the need to take into account globalisation. Although CEEMET considers that these conditions are important, it would like to make the following remarks.

CEEMET is fully aware of the changes the European Union is facing caused by demographic developments, the need to adapt systems of social protection and pensions to these changes and, finally, the need to link this process to the whole question of migration. During the last few years, a large number of reports and analyses have been published on these issues and many Members States have started to implement important reforms of their social security and pensions systems in response to these demographic changes.

Therefore, CEEMET is concerned about the potential impact of the recently published Green Paper on “Confronting demographic changes: a new solidarity between generations” (COM2005/94/final dd. 16 March 2005). It will be important to ensure that any discussions resulting from this Green Paper do not impose more legal obligations and constraints on companies.

As regards the need to establish partnerships between the authorities, the social partners and civil society, CEEMET can only support the proposal of the Commission to organise an annual meeting of all players concerned to evaluate the implementation of the Social Agenda if it can clearly demonstrate that this will add value and that the Commission will take into account any conclusions that are reached.

## **TWO PRIORITY AREAS**

CEEMET will focus its remarks on the first priority of the Social Agenda “*Moving towards full employment: making work a real option for all, increasing the quality and productivity of work, and anticipating and managing change*” as the second priority area is primarily of interprofessional interest.

### **Achieving full employment**

In this chapter, the Commission proposes to set up a strategic approach on anticipation and positive management of change and, more particularly, to present the second phase consultation of the social partners on restructuring and the revision of the Directive on European Works Councils (94/45/EC). CEEMET is very concerned about this proposal which was published on 31 March 2005. We consider that this document is unnecessary as there is already substantial European and national legislation on these subjects. Moreover, it could undermine the work undertaken by the social partners at European level following the first phase consultations by the Commission on “anticipating and managing change” and on the possible review of the “European Works Council” Directive. CEEMET believes that this would weaken the necessary mutual trust between the Commission and social partners and is contrary to the principle of ensuring that the autonomy of the social partners is retained.

### **A new dynamic for industrial relations**

CEEMET recognises that, over recent years, new forms of work have emerged and we feel that these should be positively encouraged as the first Kok Report “Jobs, jobs jobs: creating more employment in Europe” stated. It will therefore be important to ensure that any Commission Green Paper “*analysing current trends in new work patterns and the role of labour law in tackling these developments*” does not lead to further legislative proposals at European level that undermines the necessary development of these new forms of work.

Furthermore, CEEMET can only support the idea of an updating of the Directives on transfers of undertakings and collective redundancies as proposed in the Social Agenda if this results in genuine simplification and does not create more stringent legal obligations for employers.

As regards health and safety at work, CEEMET stresses that the Commission must properly and effectively “*monitor the transposition and implementation of the existing legislation*” in all Member States. CEEMET believes that this is a very important and necessary precondition before any further legislative proposals are tabled.

Finally, the Commission indicates its willingness to promote Corporate Social Responsibility (CSR). On this issue, we would like to recall that the Multi-Stakeholders’ Forum on CSR has agreed in its conclusions of June 2004 that CSR should remain voluntary. CEEMET fully supports a voluntary approach to CSR and would therefore be concerned if the Commission’s wish to enhance the “credibility” and “transparency” of CSR initiatives led to “external certification” and “auditing” as this would be contrary to the voluntary principle.

## **Towards a European labour market**

Under this section, the Commission announces its intention to provide an optional framework for transnational collective bargaining at either enterprise level or sectoral level. CEEMET strongly opposes such a proposal which we believe is contrary to the principle of the autonomy of social partners, reaffirmed both in the Social Agenda and in the Commission's Communication "Partnership for change in an enlarged Europe - Enhancing the contribution of European social dialogue" (*COM (2004) 557 final of 12 August 2004*). CEEMET considers that the current trends towards more flexibility and the greater decentralisation of collective bargaining in many countries are in sharp contrast to the Commission's idea of establishing a framework for transnational collective bargaining, even if it is optional. Therefore, any moves towards transnational collective agreements are neither realistic nor desirable. In this important area, which represents the core activity of most of our national member organisations and reflects their different industrial relations histories and cultures, such an intervention is totally inappropriate. Finally, CEEMET sees a serious contradiction between the need to maintain the autonomy of the social partners and the fact that the Commission appears not only to be proposing a framework for discussion between the social partners but also the topics for them to discuss.

## **CONCLUSIONS**

CEEMET is firmly of the opinion that, before issuing any proposal arising from its Social Agenda which would create more legislative obligations for companies, the Commission should ensure the proper application of the EU Inter-Institutional Agreement of Better Law Making, the joint initiative on Better Regulation and the new Better Regulation package adopted by the Commission on 17 March 2005, that have been and are being pursued by the Irish, Dutch, Luxembourg and UK Presidencies.

CEEMET members are convinced that, in the field of social policy, more adaptability will contribute to improved competitiveness. In our view, all existing and forthcoming social policy regulations at European and national level should always be checked against the principles of subsidiarity and proportionality. CEEMET also believes that all EU legislation should be subject to a thorough and transparent cost-benefit analysis, including the costs caused by unnecessary administrative burdens. We also see no reason why automatic review mechanisms, for checking the effectiveness of the initiative after it has been in force for a few years, cannot be formally written into all EU legislation. In the area of labour law, it is our experience that, in cases where revisions of certain EU-Directives are being considered, this is predominantly leading to the imposition of stricter rules and unfortunately not to creating greater labour market flexibility, let alone the total withdrawal of any legislation.

Brussels, 4 April 2005