

# The Social Agenda 2005-2010



**A social Europe in the global economy  
Jobs and opportunities for all**

**Employment & social affairs**



**European Commission**



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**European Commission**  
Directorate-General for Employment, Social Affairs and Equal Opportunities

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## FOREWORD

We live in a world of international competition, technological advances and changing population patterns. It is against this backdrop that the European Commission launched its revised Lisbon Strategy, which places increased emphasis on economic growth and jobs. By modernising our labour markets we can help people seize the opportunities that a more global economy offers.

But these opportunities must not be restricted to a privileged few. The new Social Agenda – which goes hand in hand with the revised Lisbon Strategy – focuses on ensuring that the benefits of the EU's growth and jobs drive reach everybody in society. It aims to equip people to adapt to social changes while protecting the most vulnerable members of society.

I am convinced that to reap the benefits of social policies, we must work together. The new agenda calls for partnerships between public authorities at local, regional and national level, employer and worker representatives and NGOs. The agenda also calls for an intergenerational partnership – one that recognises the diverse needs of different generations in a rapidly ageing society, with a particular emphasis on the opportunities for young people.

The Social Agenda covers the period up to 2010. As this coincides with the new Commission's term of office, it also defines the Commission's commitments in the field of employment and social policy. But most importantly, it tackles some of the issues that matter most to people, like pensions, healthcare, social security and the reconciliation of work and family.

In short, I believe this new Social Agenda will help provide what people really want: more and better jobs and equal opportunities for all.

I hope you enjoy reading more about it.

Vladimír Špidla  
European Commissioner for Employment, Social Affairs and Equal Opportunities

A handwritten signature in black ink, appearing to read 'V. Špidla', written in a cursive style.





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## **An introduction to the Social Agenda 2005-2010**

The past few decades have seen remarkable progress in the development of the European model of society. In many ways it is unique in the world. It builds on both economic growth and the creation of good jobs. It ensures a high level of social protection and education. And it is based on partnership, especially between employers and trade unions.

Europeans have grown up with the benefits of this social model. But to preserve our prosperity and solidarity we need to step up our efforts to adapt to the economic and social changes which come from globalisation and the ageing of our populations.

By putting forward the EU's revamped Lisbon strategy, the Commission declared growth and jobs as its top priority.

In a move to strengthen the social dimension of this strategy, a new Social Agenda was adopted in February 2005. It contains a roadmap for European social policy up to 2010. This new impetus reflects the intentions of the EU's draft constitutional treaty and appears against the backdrop of existing EU policies which supplement Member States' action in the employment and social field.

This introduction sets out the key challenges and the background of the new Social Agenda, which is reprinted in this brochure from page 17 onwards.



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### **Stronger efforts are needed to create more and better jobs and combat social exclusion ...**

After a period of strong employment growth, economic growth has been slowing down, and job creation is now stagnating. Only about 63 % of Europeans between 15 and 64 years old are working – a far cry from full employment. More than 9 % of the EU's labour force is without a job, and unemployment is twice as high among the young. Some 68 million Europeans are living at risk of poverty – an unacceptable level.

### **while demographic ageing, increased diversity and globalisation are adding to the pressure for reform**

Far-reaching economic and societal changes are making reform even more essential. These changes are already apparent today, and look set to intensify in the years ahead.

- Today, there are four people of working age for every person over 65. But in 2050, this ratio will have dropped to two to one. Demographic ageing could result in fewer people entering the labour market and more older people relying on social protection systems such as pensions and healthcare. If policies are not changed, potential economic growth could halve over the coming decades to reach just over 1 % per year.
- Diversity within the European Union is rapidly increasing, too. With demographic ageing it becomes more important to address the various needs of different generations. The enlarged Union is also more ethnically diverse, and immigrants are playing a greater role in Europe's economy and society.
- Globalisation and technological change promise a wide range of new opportunities and overall positive effects, in Europe and worldwide. Opening up markets brings economic growth and raises living standards. But there are also serious drawbacks for some. For example, when companies move part of their business to cheaper locations it can result in job losses at home.

## The Social Agenda underpins the EU's revamped growth and jobs strategy

To step up reform efforts in the face of these challenges, the European Commission put forward a new Social Agenda in February 2005. This policy plan stresses the importance of continuing with actions taken under the preceding Social Policy Agenda, adopted in 2000. In this way it builds on a solid basis of EU social policy developed over the past few decades. But it also contains a new roadmap for European social policy up to 2010, with concrete initiatives and further pathways to developing policies in partnership with all the stakeholders concerned. It focuses on jobs and equal opportunities for all, and supports policy reforms at national level.

The Social Agenda strengthens the Union's broader efforts for economic and social renewal in Europe. It is designed as an essential part of the EU's revamped 'Lisbon' strategy for growth and jobs. The Commission and the Member States have made the reform programme their top European priority for the next five years.



## Boosting growth and jobs goes hand in hand with promoting social objectives ...

Modernising and improving Europe's model of society is the ultimate goal of the renewed Lisbon strategy. As the Commission underlines, "making growth and jobs the immediate target goes hand in hand with promoting social objectives".

Without more growth and jobs it will not be possible to deliver on social policy goals. They are the basis for our future prosperity and for raising our living standards. Bringing more people into the labour market and encouraging workers to stay longer in their jobs will be essential to sustain employment growth. But at the same time it is crucial for the financial sustainability of social protection systems, which means for example ensuring the provision of pensions in the long-run. Having a job and enhancing career perspectives by training is the best prevention against social exclusion.

## and social policy is working as a productive factor ...

Good social policies strengthen growth and jobs. Social inclusion policies are essential for combating poverty and looking after the neediest people in society. Providing disadvantaged and socially vulnerable people with skills and opportunities and fighting the discrimination they face allows them to take their place in society more easily. And measures to reconcile work and family life, like more child-care facilities, will help parents to take up – and remain in – a job.



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Reforming pension systems can also have positive effects on employment. If pension arrangements provide incentives to retire later and to encourage firms to employ older workers, the workforce will shrink less in the face of demographic ageing. Healthcare systems that are accessible for all are a major achievement in themselves. At the same time, good healthcare helps to strengthen social cohesion. And healthier workers will increase productivity, and therefore growth. High standards of health and safety at the workplace have similarly positive effects. Poor or unsafe working conditions currently cost the EU economy some 3% of GNP.

And a high level of social protection – through pensions or healthcare – creates security. Fast structural change and globalisation have not reduced the need for such productive social security arrangements. It has become more important than ever to face these challenges.

## enabling citizens to gain confidence

Taken more generally, social policies must help citizens to gain confidence: confidence that social policy reforms are in the interest of society as a whole. And confidence in their own skills and ability to manage the economic and social changes affecting their lives.

## European employment and social policies add value

EU employment and social policies cannot meet all these challenges alone. They need to supplement and promote action by Member States, social partners, and civil society. By doing this, the EU builds on different policy instruments which work together and have been gradually evolving over the past decades:

- ⇒ Legislation has the longest tradition. It sets minimum standards for working conditions in the internal market and helps firms and workers adapt to changing patterns of work. Legislation also ensures EU-wide rights to equal opportunities. EU laws first addressed gender equality at work. In recent years, they have also tackled broader grounds of discrimination.
- ⇒ Employers and trade unions are in the best position to achieve a new balance between flexibility and security in the face of economic and social change. This is why the Commission promotes dialogue between them in line with the requirements of the EC Treaty. EU social partners have to be consulted before the Commission proposes social legislation. They are then encouraged to take these issues further on their own by concluding EU-wide agreements.
- ⇒ The so-called open method of coordination (OMC) helps national policies progress towards common European objectives. It provides guidance and mutual encouragement through the exchange of best practices. Under the OMC, guidelines or objectives are fixed at EU level calling on the Member States to implement national action plans. The Commission monitors their progress in reports drawn up each year and agreed with the Council. Since the 1997 launch of the European Employment Strategy (see next page) similar coordination has been evolving in the areas of social inclusion, pensions, and – most recently – the modernisation of healthcare systems.
- ⇒ Last – but certainly not least – the EU adds substantial financial support to concrete projects developed in the Member States, particularly through the European Social Fund. European funds back up the European employment and social inclusion strategies, by investing in people (see next page). Smaller programmes for specific policy fields contribute to, among other things, awareness raising and exchange activities. They will be combined under the PROGRESS programme from 2007 onwards.



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## The preceding Social Policy Agenda 2000-2004 made good progress

The Social Agenda adopted by EU leaders at Nice in 2000 was the first social policy programme fully committed to the positive interaction of economic, employment and social policies. Good progress has been made on a number of fronts.

– Despite limited success in reaching Europe's broad employment goals, the European Employment Strategy (EES) has delivered some encouraging results. The EU is well on track to achieve its target for women's participation in the labour market. The female employment rate rose by 3.2 percentage points between 1999 and 2003, to 56.1 % in EU15, close to the so-called 'Lisbon' target of 57 % by 2005. More generally, the EES has pushed to make national employment policies more active and preventive. This means creating more and better jobs, as well as promoting training for people to help them adapt to the changing labour market. It means ensuring that the benefit system encourages people back into work. And these labour market reforms have resulted in relatively fewer job losses in the recent economic slowdown than in earlier downturns.



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– Backing up the EES, the European Social Fund (ESF) has a budget of 62.5 billion EUR over the period 2000–2006. It helps to implement active employment policies, particularly by investing in training people and modernising working patterns. The Fund also helps to integrate socially vulnerable groups, such as the Roma. A major focus of projects for socially excluded people is to get them back into the workforce.

– Legislation and social dialogue have also contributed to the modernisation of work organisation. This includes, for example, an EU law setting minimum standards for informing and consulting workers about changes which affect them. EU employers and trade unions have recently expanded agreements addressing new working patterns. For example, they have set conditions for telework and for managing work-related stress, which will be implemented according to national practices of industrial relations.



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– The European Job Mobility Portal was launched. It is an easy way for job-seekers to find information on jobs and learning opportunities across Europe. Moving around the EU without losing out on social security benefits has become easier too. A major overhaul of 30-year-old legislation made social security rules more user-friendly for people travelling to or working in another country. This move came in tandem with the introduction of the European health insurance card, which simplifies procedures for those in need of healthcare abroad.

– New EU legislation, adopted in 2000, gives EU citizens a common minimum level of protection against discrimination. One directive bans discrimination on grounds of race and ethnic origin in most areas of daily life. A second one addresses employment equality on grounds of religion or belief, disability, age and sexual orientation.

– Over the past few decades, the EU has continually expanded rules to ensure gender equality in employment. And in 2004, for the first time, legislation prohibiting sex discrimination outside the workplace was adopted. This EU law bans discrimination of both women and men in the access to goods and services, for example when opening a bank account or accessing social housing.

- ⇒ European countries have agreed a common framework for tackling social exclusion. Key policy priorities have been defined, calling on Member States to: increase labour market participation, modernise social protection systems, tackle disadvantages in education and training, eliminate child poverty, ensure decent accommodation, improve access to quality services, overcome discrimination and integrate ethnic minorities and migrants. While poverty rates remain stubbornly high, some progress has been visible in other areas of social inclusion. For example, considerably more people have access to the information society today than five years ago.
- ⇒ The EU also supports ongoing reforms in national pension systems. Common objectives focus on three major challenges: keeping pensions at a level which will maintain living standards in old age, making sure that the systems are financially sustainable in the long term, and modernisation in order to accommodate changes in society, for example atypical careers. Most Member States have already made significant progress to ensure the sustainability of future public pension expenditure. But further efforts are needed, for example encouraging people to retire later and making supplementary pension provision more accessible.



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### **Continuity is needed ...**

These successes show that we are already a long way down the track. And so in some cases, concrete policy measures foreseen in the new Social Agenda – for example those on employment, social protection and social inclusion – are a direct follow-up of developments in the past few years. In other cases, action is required by the EC Treaty, as is the case for consultations of social partners. The new agenda will simplify several existing, sometimes longstanding legislation which needs to be updated.

### **combined with refocused ambitions ...**

More than anything, the Social Agenda provides a fresh start. It is geared to delivering the employment and social dimension of the EU's revamped growth and jobs strategy launched by President Barroso in 2005.

### **and a fresh approach**

The new Social Agenda contains a number of concrete measures, while outlining other issues which need further examination together with government, social partners and civil society. These consultations will decide the direction of future employment and social policy.

## Two priority areas of action – employment and equal opportunities for all ...

In line with the Commission's strategic objectives of promoting prosperity, solidarity and security in Europe, the Social Agenda has two priority areas of action: (i) moving towards full employment and (ii) promoting fairer societies by combating poverty and exclusion, by modernising social protection systems and extending equal opportunities to everyone in society. The full list of initiatives contained in the Social Agenda can be found in the attached official document. They include the following examples:

### concentrating efforts on issues that affect people's lives

= Stagnating job creation and persistent unemployment in Europe are posing social problems and hampering economic growth. This is why **refocusing the European Employment Strategy is at the core of the new Lisbon strategy**. Following analysis by a high level group led by former Dutch Prime Minister Wim Kok, the new EES will be geared towards four key priorities: increasing the adaptability of workers and enterprises; attracting more people to enter, and remain in, the workforce; investing more, and more effectively, in workers; and ensuring the real implementation of reforms through better governance.

= In a move to better match the employment strategy, the **European Social Fund (ESF)** is set to become more streamlined and targeted in the next programming period from 2007 to 2013. It will focus on the least developed regions and other areas affected by economic and social change, to deliver employment and social cohesion where the ESF's added value is highest.

= Barriers for labour mobility still hinder the development of a European labour market. Removing them is essential. **As supplementary pensions** are becoming more widespread, their **transferability** between jobs becomes more important – particularly if the new job is abroad. This is why the Commission will issue a proposal to enable workers to switch occupational pension schemes when they move within or between Member States. 2006 will become a year of action for workers' mobility in Europe.

= The accession treaties concluded in May 2004 contain provisions for transition periods which restrict the free movement of workers from eight of the new Member States. The Commission will examine the effect of these rules. In 2005 it will establish a high level group, with representatives from all 25 EU Member States, to assess the impact of enlargement on labour mobility across Europe. This analysis will feed into a report on the transitional periods that the Commission will submit to the Council in early 2006.

= Employers and trade unions bring the benefit of direct experience when it comes to anticipating social and economic change. This is getting more important than ever as the restructuring of firms becomes more widespread in the global economy. The Commission will continue to consult the **European social partners** before putting forward social policy proposals. In particular, they will be consulted on the issues of restructuring and the possible revision of the Directive on European Works Councils.



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- ⇒ The Commission will also look at the possibility of an **optional framework for transnational collective bargaining**. This would allow negotiations between employers and workers' representatives to be effective across borders, rather than having to go through the same process several times in different countries, while fully respecting national practices of collective bargaining.
- ⇒ In a changing economy, **new work patterns are emerging too**. The Commission will analyse this in a Green Paper in 2006 and look at how labour law can be adapted to fit the new situation. The Commission intends to propose an initiative on the protection of the personal data of workers and the simplification of some pieces of EU labour law. And a new strategy for health and safety at work, to run from 2007 until 2012, will emphasise that 'prevention pays off' as fewer accidents mean higher productivity. The strategy will take account of new types of risks in the workplace, as well as ensuring that existing health and safety standards are applied properly.



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- ⇒ A consultation of stakeholders last year highlighted issues that need to be tackled through anti-discrimination activities. This year the Commission will set out its plans for **combating discrimination** and assess the need for and feasibility of supplementing existing legislation. It will look in particular at minorities, especially the Roma. The Commission also plans to organise a European Year of Equal Opportunities for All in 2007.
- ⇒ The gender pay gap, getting more women into the labour market, the glass ceiling, balancing work and family life and participation in decision-making. These are just a few of the issues in the area of **gender equality** which need to be taken further. The Commission will issue a communication on a future policy framework after the current gender equality strategy for 2000-2005 expires. It has also proposed the establishment of a **European institute for equality between men and women** as requested by EU leaders. The institute will support the Commission and the Member States in implementing the Community objectives for promoting equality between women and men and ensuring that they are incorporated into Community policies across the board. It will provide a clearing-house for information and exchange of good practice.
- ⇒ The Commission will further develop its efforts on combating poverty by launching a communication later this year on **minimum income schemes**. Moreover, the coordination process on national social inclusion policies will be further developed. 2010 will be declared the **European Year of Combating Poverty and Social Exclusion**.
- ⇒ Under the new Agenda, the open method of coordination supporting the Member States in **reforming pensions and healthcare and tackling poverty** will be streamlined to improve its implementation in these vital areas for modernising welfare systems.
- ⇒ **Social services of general interest**, such as healthcare, play an increasingly important role in today's economy and society. But there is a need to clarify the framework in which they operate and how it can be modernised. The Commission will examine the particular features of social and health services of general interest, and look at the effects of Community policies on their provision.



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### **Promoting a partnership for change ...**

The European Commission cannot achieve all of these objectives on its own. But Member States acting alone will also have only limited success. To reach these goals, the new Social Agenda emphasises the importance of a 'Partnership for change'. This partnership, which will involve different levels of Member State authorities, the social partners and civil society, will be brought together in annual meetings to evaluate the progress of the Social Agenda.

### **and addressing demography and globalisation**

Responding to the key challenges of ageing populations and the increased competition resulting from globalisation is an integral element of the new Social Agenda. It sets out to address the needs of different generations, with a particular emphasis on opportunities for young people. This 'intergenerational approach' will be explored in a consultation paper by the European Commission analysing demographic changes in European populations and their consequences.

Putting social policy into a global context is another principle throughout the agenda. This will mean addressing both the impact of globalisation on the European social model and Europe's role as a motor for strengthening the social dimension worldwide.

These three principles – partnership, an intergenerational approach, and the importance of approaching European social policy from a more global perspective – will help to preserve and modernise our European model of society and reinforce the drive to boost growth and jobs.

You can find the full text of the Commission's Communication on its Social Agenda on the following pages.



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 9.2.2005  
COM(2005) 33 final

**COMMUNICATION FROM THE COMMISSION**

**on the Social Agenda**

## COMMUNICATION FROM THE COMMISSION

### The Social Agenda

"A social Europe in the global economy: jobs and opportunities for all", this is the motto of the second phase of the Social Agenda covering the period up to 2010. As the Commission has mentioned in its Communication on the mid-term review of the Lisbon strategy, the vision that binds us together, confirmed in the Constitution, consists of ensuring "the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress and a high level of protection and improvement of the quality of the environment".

The Commission is fully committed to the modernisation and development of the European social model as well as to the promotion of social cohesion, as part both of the Lisbon Strategy<sup>1</sup> and of the Sustainable Development Strategy<sup>2</sup>. This agenda identifies the priorities which should guide the European Union's action in this domain.

The review of the Social Agenda complements and supports the mid-term review of the Lisbon Strategy, which has focused on growth and jobs. The Agenda has a key role in promoting the social dimension of economic growth.

Significant progress was already made in the period 2000-2004. The task now is to improve the implementation of the measures foreseen by the Social Agenda, on the basis of principles that have proved their worth. These principles should make it possible to:

- pursue an integrated European approach guaranteeing positive interplay between economic, social and employment policies;
- promote quality – of employment, social policy and industrial relations –, which, in return, should make it possible to improve human and social capital;
- modernise systems of social protection by adapting them to the current requirements of our societies, on the basis of solidarity and by strengthening their role as a productive factor;
- take account of the “cost of the lack of social policy”.

The added value of the Social Agenda is beyond doubt. The Agenda makes it possible to facilitate the modernisation of national systems against a background of far-reaching economic and social changes. It supports the harmonious operation of the single market while ensuring respect for fundamental rights and common values.

The importance of this approach has been underlined by the European Parliament in its different opinions in recent years on the social aspects of the Lisbon strategy.

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<sup>1</sup> COM(2005) 24.

<sup>2</sup> COM(2005) 37.

The Agenda also draws on the report of the High-Level Group on “the future of social policy” and the recent contribution of the third Kok report of October 2004, “Facing the challenge”. Lastly, it takes account of the open, interactive debates organised under the Dutch Presidency in the second half of 2004.

The Agenda develops a two-pronged strategy.

Firstly, it emphasises its role in strengthening citizens’ confidence. This confidence is essential for managing the process of change and plays a key role in encouraging economic growth. The Agenda describes the combination of Community instruments for improving the quality of its implementation and presents, in this context, three key conditions for success: an intergenerational approach, a partnership for change and the need to seize the opportunities offered by globalisation.

Secondly, it presents key measures under two major headings, which are covered by the Commission’s strategic objectives 2005-2009<sup>3</sup>: (1) employment (under the prosperity objective) and, linked to that, (2) equal opportunities and inclusion (under the solidarity objective). The Agenda combines the consolidation of a common European framework with the implementation of diversified measures to respond to specific needs. In this way, it supports the motto “United in diversity”, which is proclaimed by the draft Constitutional Treaty.

## **1. BUILDING CONFIDENCE — MEANS AND CONDITIONS FOR SUCCESS**

### **1.1. Building confidence**

The Agenda aims to modernise the European social model, especially by improving collective capacity to act, and to offer new chances to all.

The main driving forces behind change — increased competition in a global context, technological development and population ageing — will speed up by the end of this decade. Major challenges remain: the low rate of employment, unemployment, poverty, inequality and discrimination.

Through modernising social policies, the measures proposed are designed to enable citizens to gain confidence in their own ability to effectively manage these changes.

### **1.2. The instruments**

In order to implement the Social Agenda, the EU has a range of instruments at its disposal: legislation, the social dialogue, financial instruments – especially the European Social Fund (ESF) and the PROGRESS programme – the "open method of coordination" - which supports Member States efforts in modernising employment and social protection systems and the principle of mainstreaming. The link between the ESF and the policy framework established by the Social Agenda will be strengthened. The ESF will provide support for the Member States’ policies to implement the guidelines and recommendations adopted under the European Employment Strategy (EES) and the objectives approved by the EU in the area of social inclusion.

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<sup>3</sup> COM(2005) 12.

The ESF invests directly in the implementation of policies approved at European level and drawn up in the Member States. While respecting the particular situation in each country, the ESF will provide specific European added value. Indeed, investment in the training of people and the promotion of social capital that is capable of creating confidence and promoting partnerships have considerable influence over the attainment of economic, social and employment objectives and could thus help to make up for lost time in the implementation of reforms.

In the Member States and the regions that will be eligible under the proposed 'Convergence' heading, there are major socio-economic disparities: the growth and cohesion objectives cannot be achieved without Community funding. In the Member States that will receive funding under the proposed 'regional competitiveness and employment' heading, the ESF will play the role of a catalyst; it will also support exchanges of experience.

The complementarity between the Agenda and both the mid-term review of the Lisbon strategy and the sustainable development strategy makes it necessary to ensure close dovetailing with other Community policies on the internal market, industry, competition and trade. This approach implies taking full account of social and employment dimensions in other Community policies, and vice-versa. The integrated Impact Assessment tool developed by the Commission provides a valuable methodological contribution. Accordingly, the Social Agenda draws its inspiration from the Constitutional Treaty, which proclaims the importance of an integrated approach.

### **1.3. Three conditions for success**

The Agenda can only succeed by involving all the constituent parts of the European population: change must be founded on a new intergenerational approach. Similarly, the objectives of employment, solidarity and social inclusion cannot be separated from the globalised economy, where the competitiveness and attractiveness of Europe are at stake. This opening-up on two fronts requires strong and active participation of all concerned.

#### *1.3.1. An intergenerational approach: chances for young people*

##### **1.3.1.1. A Green Paper on the intergenerational dimension**

The changes brought about by the demographic development of European populations, the need to adapt systems of social protection and pensions to these changes and, finally, the need to link this process of thought to the whole question of migration are major challenges.

That is why it is necessary to analyse the future challenges in the relations between the generations and in the position of the families. To this end, the Commission will put forward a Green Paper on the intergenerational dimension in 2005.

A Green Paper on the intergenerational dimension: analysing the demographic changes of European populations and their consequences

##### **1.3.1.2. A contribution to the European Initiative for Youth**

A commitment for youth, especially with a view to creating a dynamic relationship between the generations, expresses confidence in the future and rejects the fatalistic view of ageing and scepticism. A European initiative for youth will mark this commitment.

The commitment of the social partners, in the form of an intergenerational partnership, which they have already announced will be a crucial contribution to this initiative, as will the incorporation of the youth dimension into the employment and social inclusion strategies.

An intergenerational partnership: a contribution to the European Initiative for Youth

### 1.3.2. *The partnership for change*

The partnership between the authorities, the social partners and civil society is one of the keys to the success of European policies. In order to promote support for the reforms, the European Council of March 2004 called on the Member States to set up partnerships for change.

It is also necessary to take stock of the progress made in the participation of all players in the implementation of European policies. To this end, the Commission will propose:

The organisation of an annual meeting of all players concerned in a forum to evaluate the implementation of the Agenda

### 1.3.3. *The external dimension*

The report of the World Commission on the Social Dimension of Globalisation and the Commission's own proposals offer a good basis to make substantial progress in strengthening the social dimension of globalisation.

- The Agenda seeks ways of benefiting from the exchange of experience between the EU and its partners on the close link between economic progress and social progress, taking account of the impact of foreign trade on competitiveness: firstly with the candidate countries, neighbouring countries and other third countries, like industrialised countries (USA, Japan), emerging economies (China, Brazil, India, South Africa) and developing countries;
- secondly with international organisations like the ILO, OECD and UN and with organisations involved in economic governance (IMF, World Bank, WTO), in order to take greater account of the social dimension of globalisation and the social pillar of sustainable development.

The promotion of decent work for all should be a world objective at all levels, as called for by the World Commission on the Social Dimension of Globalisation. This objective is in keeping with the Millennium Development Goals, the commitments of the Copenhagen World Social Summit and economic governance.

In addition, the Commission will set up an interdepartmental group to promote consideration of the external dimension of employment, social policy and decent work.

The incorporation of the European social model into external dialogue and measures at bilateral, regional and multilateral level

The promotion of decent work as a global objective at all levels

## 2. THE TWO PRIORITY AREAS

### 2.1. Moving towards full employment: making work a real option for all, increasing the quality and productivity of work, and anticipating and managing change

#### Achieving full employment

A revamped cycle of the European Employment Strategy (EES) in 2005 under the Lisbon mid-term review

An ESF fostering convergence, employment and competitiveness

Anticipation and positive management of change: a strategic approach

In order to attain the Lisbon growth and jobs objectives, Europe needs a greater number of active workers, who are also more productive. This will underpin long-term economic growth, combat unemployment and regional disparities and promote social cohesion. Europe therefore needs to address both the quantity and quality of jobs and the productivity of work. It also needs to consider how to tackle the question of economic migration.

As part of the mid-term review of the Lisbon strategy, the Commission has proposed a revamped cycle comprising new guidelines and linking up with the rationalisation of economic policy coordination cycles at European level. The four priorities proposed by the Kok Task Force on employment in 2003 (report "Jobs, jobs, jobs") will be at the heart of this cycle, in order to:

- increase the adaptability of workers and enterprises;
- attract more people to enter and remain in the labour market;
- invest more, and more effectively, in human capital;
- ensure genuine implementation of reforms through better governance.

In order to improve the governance of the EES, in 2006 the Commission plans to put forward a measure to sensitise the ESF players. In 2006/2007, it will launch a communication campaign among parliaments and players concerned, at all levels.

Against a background of increasing economic integration and intensified global competition, the EU must be capable of anticipating, triggering and managing economic change more effectively. Economic change is accelerating; restructuring, offshoring, outsourcing, even deindustrialisation, are gaining in importance.

Experience shows us that an active approach is both necessary and possible. That is why the Commission will develop a strategy around four themes:

- greater interplay between European policies designed to encourage and accompany restructuring. The Commission plans to set up a high-level forum of all players and stakeholders in order to move in this direction;

- greater involvement of the social partners, especially through the second phase of consultation of the social partners on the issue of restructuring and on the revision of the Directive on European Works Councils (94/45/EC);
- greater synergy between policies and their financial levers, especially the ESF;
- a stronger link between the EES and the development of the legal frameworks and social partners' agreements; this will make it possible to enhance the adaptability of labour and to support policies for lifelong training and modernisation of the organisation of work.

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

An evolving legal framework

Key role of the social dialogue

Promotion of corporate social responsibility

In a dynamic economy, new forms of work emerge, for example economically dependent work and fixed-term work.

In the light of economic integration, the European level will provide considerable added value in relation to what is already being done at national level.

Accordingly, the Commission intends to adopt a Green Paper on the development of labour law. In this Green Paper, the Commission will analyse current trends in new work patterns and the role of labour law in tackling these developments, by providing a more secure environment encouraging efficient transitions on the labour market. The discussion that this document will produce could lead to proposals for a whole range of measures to modernise and simplify the current rules.

In 2005 the Commission will propose an initiative concerning the protection of the personal data of workers. In the context of better regulation, as outlined in the Lisbon mid-term review, the Commission will propose the updating of Directives 2001/23/EC (transfers of undertakings) and 98/59/EC (collective redundancies), and the consolidation of the various provisions on worker information and consultation.

As regards health and safety at work, the Commission will put forward a new strategy for the period 2007-2012. Prevention pays off: less work-related accidents and diseases push up productivity, contain costs, strengthen quality in work and hence valorise Europe's human capital. The new strategy should focus on new and emerging risks and safeguarding minimum levels of protection in workplace situations and to workers not adequately covered. The evaluation of the current programme should help to define these new situations. Specific attention should also be given to the quality of prevention services, health and safety training, as well as other tools to ensure a better application of health and safety standards. Since the quality of implementation is of vital importance, the Commission will pursue its efforts to monitor the transposition and implementation of legislation. Moreover, in order to ensure effective implementation, all the players concerned must have the capacity to take on their responsibilities. The ESF will play a key role in strengthening the capacity of administrations and social partners.

The Commission will continue to encourage the social partners to contribute fully to the Lisbon mid-term review including by the conclusion of agreements, at all levels.

While respecting the autonomy of the social partners, the Commission will continue to promote the European social dialogue at cross-industry and sectoral levels, especially by strengthening its logistic and technical support and by conducting consultations on the basis of Article 138 of the EC Treaty.

The Commission will continue to promote corporate social responsibility. In order to contribute to the effectiveness and credibility of these practices, the Commission, in cooperation with the Member States and the parties involved, will put forward initiatives designed to further enhance the development and transparency of corporate social responsibility.

### **Towards a European labour market**

An optional European framework for transnational collective bargaining

2006, European Year of workers' mobility

If a genuine European labour market is to be created and is to function effectively, it is necessary both to remove the remaining direct and indirect barriers and to draw up policies that create the conditions for the players concerned to derive maximum benefit from the European area. As stated in the Lisbon mid term review, the Commission will make proposals to remove obstacles to labour mobility, notably those arising from occupational pension schemes.

In the EU, there is still considerable potential for facilitating improvements in quality and productivity through more intensive cooperation between economic players.

Providing an optional framework for transnational collective bargaining at either enterprise level or sectoral level could support companies and sectors to handle challenges dealing with issues such as work organisation, employment, working conditions, training. It will give the social partners a basis for increasing their capacity to act at transnational level. It will provide an innovative tool to adapt to changing circumstances, and provide cost-effective transnational responses. Such an approach is firmly anchored in the partnership for change priority advocated by the Lisbon strategy.

The Commission plans to adopt a proposal designed to make it possible for the social partners to formalise the nature and results of transnational collective bargaining. The existence of this resource is essential but its use will remain optional and will depend entirely on the will of the social partners.

Moreover, freedom of movement for persons is one of the basic freedoms and is a necessary tool for economic adjustment. Strengthening the network of European employment services could facilitate this mobility. However, various specific questions arise: the transitional period (with regard to workers from the new Member States) and the strengthening and simplification of the provisions for the coordination of social security schemes.

The Commission will set up in 2005 a high-level group with representatives from all the Member States in order to assess the impact of enlargement on mobility and the way the

transitional periods that were approved for the most recent enlargement are working. This should provide an input into the report the Commission will prepare for the Council in early 2006, in order to inform the decisions to be taken on the transitional periods.

The Commission will also conduct studies aiming at the permanent monitoring of migratory movements following enlargement and in view of future enlargements.

Finally, the work of modernising and adapting the existing Community rules will be pursued through the amendment of the Regulations on the coordination of social security schemes (Regulations (EEC) No1408/71, (EC) No 883/2004 and (EEC) No 574/72).

## **2.2. A more cohesive society: equal opportunities for all**

Modernising social protection: a key component of the Lisbon mid term review

Initiating the Open Method of Coordination (OMC) for health and long-term care

All the Member States have embarked on long-term reforms of their systems of social protection. The OMC provides common objectives but leaves it up to each Member State to choose the ways and means of achieving them. The ESF contributes on the ground to the implementation of inclusion policies.

This method, which was initially applied to combating exclusion and poverty (from 2000 onwards) and then to pensions (from 2002 onwards), has been broadly validated by the various partners: national governments, social partners, civil society, local and regional players. They also called for the initiation of a process of OMC from 2006 for the areas of health and long-term care which will be important for structuring the reforms around the three common themes of universal accessibility, quality and financial sustainability. The quality of implementation should be further improved in order to make these national reforms more effective. The Commission will propose that the way the OMC is implemented be rationalised and simplified. This rationalisation will involve the establishment of a single list of objectives common to all three strands – inclusion, pensions, health – including cross-cutting objectives such as equal opportunities and access to the labour market.

### **Combating poverty and promoting social inclusion**

A Community initiative on minimum income schemes and the integration of people excluded from the labour market

2010, European Year of combating exclusion and poverty

At the start of the decade, the number of citizens of the enlarged EU who were at risk of poverty and persistent poverty was very high: 15% and 9% respectively. Deprivation of real chances prevents people from full participation in society. Moreover, transmission of poverty over generations confines to permanent exclusion those more vulnerable. This is socially and economically not sustainable and shows that the challenges are still considerable even though global strategies have been introduced everywhere and take account of the many facets of poverty.

Under the new Agenda, the Commission will act on the debate on the national minimum income schemes that it committed itself to launching in the previous Social Agenda.

Encouraged by the OMC, the Member States have already sought to make their national minimum income schemes more effective. However, many people are still in considerable difficulties and are obtaining neither employment nor the national minimum income protection.

From 2005, the Commission will begin consultations on the reasons why the existing schemes are not effective enough. These consultations will focus on the social partners, which are directly involved in implementing inclusion measures via the labour market which could pave the way for concrete measures to provide better opportunities. The Commission will also put forward the idea of a European Year of combating poverty and social exclusion in 2010. This year should measure the progress made during the decade in order to underline the particular vulnerability of the most fragile population groups.

### **Promoting diversity and non-discrimination**

A strategic approach to combating discrimination (2005)

2007, European year of equal opportunities

A new phase in promoting equality between men and women: a European gender institute

The EU has been a driving force in implementing the principle of equal treatment. It has shown the way in the area of equality between men and women and contributed to progress on the ground in the Member States. The combating of discrimination is based on a hard core of rights and gives priority to synergy between all European instruments.

Following the 2004 Green Paper entitled “Equality and Non-Discrimination in an Enlarged European Union”, for which more than 1 500 contributions were received, the Commission will put forward a Communication in 2005 setting out its planned policy approach and defining the policy framework for new measures, including the feasibility and relevance of any initiatives to supplement the EU’s existing legal framework. The Communication will also address the question of minorities, especially Roma.

The Commission plans to organise a European year on equal opportunities in 2007, which will stress the importance of this topic, highlight the results achieved and, finally, show the advantages of diversity for the economy and society of Europe.

The EU has a long standing tradition of determined action in the area of gender equality. In spite of progress made, significant problems remain in areas such as gender pay gap, women's access to and participation in the labour market, training, career advancement, reconciliation of family and working life or participation in decision making. As the current framework strategy 2000-2005 comes to an end, the Commission will draw up a communication on future policy developments proposing action in order to tackle these weaknesses. The Commission will also submit its annual report to the spring summit.

The June 2004 European Council called for the establishment of a European Gender Institute. The Commission will shortly bring forward a proposal on this issue. This would provide a clearing-house for information and exchanges of good practices. It would also assist the Commission and the Member States in implementing the Community objectives for promoting equality between men and women and ensuring that they are incorporated into Community policies.

Finally, in the area of equal opportunities for people with disabilities, the Commission will put forward new editions of its Action Plan and, every two years, on the European Day of Disabled People, will publish a report on the situation of people with disabilities.

### **Social services of general interest**

Moving towards a clarification of the role and characteristics of social services of general interest

As the Commission announced in its 2004 White Paper on services of general interest, in 2005 it will put forward a communication in order to clarify the framework within which social services of general interest operate and can be modernised. This communication will draw up a list of the Community policies that relate to the provision of social services of general interest. It will also describe how these services are organised and how they operate, in order to contribute to their modernisation and quality, having regard to the various areas covered.

As far as State aids are concerned, in 2005 the Commission will also adopt a decision based on Article 86(3) of the Treaty and a Community framework on the arrangements for financing services of general economic interest (SGEI). These texts will define the conditions under which State aids granted to SGEI are compatible with Community rules. In the light of the consultations currently underway on this issue, the Commission intends also to grant an exemption from notification of public service compensations of a limited amount. Special conditions could also apply to hospitals and social housing associations. In practice, most social services that constitute SGEI should benefit from this Decision.



## ▶ Reference documents and web links

### Reference documents

- = Report of the High-Level Group on the future of social policy in an enlarged European Union – Luxembourg, Office for Official Publications of the European Communities, 2004  
Catalogue number KE-61-04-202-EN-C, ISBN 92-894-7984-1
- = Facing the challenge – The Lisbon strategy for growth and employment – Report from the High Level Group chaired by Wim Kok, November 2004 - Luxembourg, Office for Official Publications of the European Communities, 2004  
Catalogue number KA-62-04-260-EN-C, ISBN 92-894-7054-2

The full list of publications on specific issues of EU employment and social policy can be consulted at the following web-site:

[http://europa.eu.int/comm/employment\\_social/publications/index\\_en.html](http://europa.eu.int/comm/employment_social/publications/index_en.html)

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## ▶ Web links

- = Social Agenda 2005-2010 thematic website  
[http://europa.eu.int/comm/employment\\_social/social\\_policy\\_agenda/social\\_pol\\_ag\\_en.html](http://europa.eu.int/comm/employment_social/social_policy_agenda/social_pol_ag_en.html)
- = The home page of Commissioner Vladimir Špidla  
[http://europa.eu.int/comm/commission\\_barroso/spidla/index\\_en.htm](http://europa.eu.int/comm/commission_barroso/spidla/index_en.htm)
- = The Commission's thematic Employment, Social Affairs and Equal Opportunities website  
[http://europa.eu.int/comm/employment\\_social/index\\_en.html](http://europa.eu.int/comm/employment_social/index_en.html)
- = The European Commission Lisbon Strategy thematic website  
[http://europa.eu.int/growthandjobs/index\\_en.htm](http://europa.eu.int/growthandjobs/index_en.htm)
- = The European Commission Sustainable Development thematic website  
[http://europa.eu.int/comm/sustainable/index\\_en.htm](http://europa.eu.int/comm/sustainable/index_en.htm)
- = The European Job Mobility Portal  
<http://europa.eu.int/eures/home.jsp?lang=en>
- = Eur-Lex – The portal to European Union law  
<http://europa.eu.int/eur-lex/en/index.html>



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