



Resolution 1056 (1995)¹

Social policies and political stability in central and east European countries

Parliamentary Assembly

1. The Parliamentary Assembly draws attention to the Conference on Social Policies and Political Stability, held in Prague from 19 to 21 October 1994, within the framework of its co-operation programme with the parliaments of central and east European countries, and in collaboration with the London School of Economics and the World Bank.
2. For a fuller consideration of the topics discussed, it refers to the book published in October 1994 by Oxford University Press for the World Bank and the London School of Economics, *Labor markets and social policy in central and eastern Europe*, which was used as a basis for the discussions.
3. It notes that the changes in central and eastern Europe have taken place on such an unprecedented scale that legislators are having to introduce reforms rapidly in order to deal with them.
4. It is aware that the situation varies greatly from one country to another, some countries already having undergone more rapid change than others, and that no single model exists which can be applied to all the countries concerned.
5. It is, however, convinced that human resources are the key element in all reforms and that economic policies must be backed by social measures in order to preserve the social consensus needed for the transition process to be successful. Priority must therefore be given to combating poverty, and providing education and training and health protection.
6. It calls on politicians to make their fellow citizens understand that democracy is a right to be preserved and strengthened.
7. The Assembly therefore recommends that parliaments and governments in central and eastern Europe take account of the following proposals when drawing up their social policies.

A. As regards labour markets

8. In order to create an efficient labour market, a new balance should be struck between the state and private sectors, and market forces should not be liberated entirely without taking measures to protect the most vulnerable sections of the population, that is the unemployed, pensioners and the sick
9. In order not to worsen the unemployment situation, support should continue to be given to certain firms, even if they are in deficit, especially if they make a large contribution to the social budget.

B. As regards income transfers

1. Assembly debate on 3 February 1995 (8th Sitting) (see [Doc. 7219](#), report of the Social, Health and Family Affairs Committee, rapporteur: Mr Gusenbauer). Text adopted by the Assembly on 3 February 1995 (8th Sitting).



10. In order to combat the poverty caused by the transition to the market economy, transfers of income are needed:

10.1. such transfers must combine social insurance with welfare cover: some aspects of welfare cover must be universal, in particular through the provision of family benefits, while more specific benefits must also be provided to deal with certain risks such as illness or unemployment;

10.2. all elderly people must be granted adequate pensions to cover their basic needs, a universal system being preferable to a selective system and private insurance being encouraged as a longer-term measure. The costs must be kept under control to prevent the entire system from collapsing. One way of containing costs is to reduce the number of pensioners, for instance by giving people an incentive to defer retirement by offering higher pensions if they retire later.

C. As regards education and training

11. The success of reform depends on the provision of adequate education and training adapted to change:

11.1. the funding for education and training must be maintained;

11.2. all children must receive preschool, elementary, primary and secondary education;

11.3. curricula must be brought into line with new developments;

11.4. adult training designed for the requirements of the market economy must be provided, priority being given to the long-term unemployed;

11.5. teacher training must be improved and education must come under proper inspection, for example through the setting up of a body of inspectors;

11.6. teachers' salaries must be increased and made attractive.

D. As regards health

12. Health protection must also be a priority:

12.1. firstly, the achievements of the communist system should be maintained by offering universal social welfare and in particular by reintroducing compulsory, free vaccination for all children;

12.2. health education must be provided for children and adults; its objectives should be to encourage a healthy, balanced diet, to discourage alcohol, tobacco and drug abuse, to combat sexually transmitted diseases, in particular Aids, and also to promote environmental protection;

12.3. companies must take steps to prevent occupational injuries and diseases;

12.4. all these topics should be covered in information campaigns;

12.5. the independence of doctors must be maintained.

13. If these reforms are to be put in place successfully, citizens must also play a part in ensuring that there are:

13.1. politicians capable of explaining the reforms they introduce and obtaining a consensus;

13.2. competent and highly motivated civil servants with the necessary facilities at their disposal;

13.3. democratic and responsible trade unions.