



Recommendation 1304 (1996)¹

Future of social policy

Parliamentary Assembly

1. The Assembly considers the combating of unemployment, and of the different forms of exclusion it entails, to be a priority for the restoration of confidence in social cohesion.
2. Unemployment destroys those who are its victims, particularly young people, and entails difficulties of integration, increasing violence and insecurity in towns and cities where certain districts become veritable "ghettos".
3. The transition that has taken place in central and east European countries has concentrated on the economic process, while social aims and needs have been more or less ignored for the sake of market considerations. The cradle-to-grave social system of former times cannot be retained, but there is a clear need for a new social policy, with the combined efforts of the governments, trade unions and employers' organisations, the role of which should be redefined, local authorities, churches and nongovernmental organisations. Economic and political reforms should be accompanied by wellbalanced reform of social policy, based on the European Social Charter. The Assembly therefore recalls its [Resolution 1056 \(1995\)](#) on social policies and political stability in central and east European countries which was adopted in the wake of the Prague Conference (October 1994).
4. Europe, which has in the past equipped itself with instruments to safeguard fundamental human rights and has developed democracy to an unprecedented extent throughout the continent, has a duty not only to maintain such standards but also to achieve genuine social democracy on pain of decline.
5. Most of the structures of our industrial civilisation are in the process of change, beginning with the organisation of work; however, although the nature of work has changed under the combined influence of several factors, including technical progress, which has resulted in the reorganisation of work and globalisation of the economy, it continues to be an important factor in social integration and, as a result, employment for all must be an aim of any social policy.
6. Social tensions caused by today's employment situation are the result of structural changes in the global economy. It is ineffective to fight these tensions only by means of appropriate social policy. Only through a better understanding of the processes which are actually taking place in society can the chances of combating social tensions be enhanced. It is necessary to co-operate with other international organisations working in the field, in order to carry out studies of unemployment.
7. The GDP, which should remain the principal economic indicator, may now be assisted by other factors. These include the level of education and health. Economic growth alone is no longer a guarantee that social achievements can attain the same level.
8. Against the current background of globalisation and accompanying deregulation, Europe must reinforce its cohesion and the European Union in particular, if accepted as a political force, could play a regulating role on the international scene. However, the single currency must not be an end in itself justifying all types of rigorous social measures.

1. Assembly debate on 24 September 1996 (27th Sitting) (see [Doc. 7634](#), report by the Social, Health and Family Affairs Committee, rapporteurs: the Earl of Dundee and Mr Hegyi; [Doc. 7652](#), opinion of the Committee on Culture and Education, rapporteur: Mr Elo; and [Doc. 7653](#), opinion of the Committee on Agriculture and Rural Development, rapporteur: Mr Telgmaa). Text adopted by the Assembly on 24 September 1996 (27th Sitting).



9. The measures to be taken depend on the kind of society we want to build and if Europe does not wish to witness an aggravation of inequalities and social exclusion it must make a substantial effort of innovation, organisation and mobilisation to create a new type of development which will allow everyone to find their place and to fulfil themselves to the best of their intellectual and other capacities.

10. The Assembly asserts that the continuing increase in unemployment is threatening social cohesion and that an agreement is necessary on the need for a new social contract aiming at a higher level of employment, both for the sake of individuals who are unemployed and for the sake of society, that is to say for the economy and the balance of payments.

11. Consequently, the Assembly recommends that the Committee of Ministers invite member states to implement active employment policies, and it reaffirms the irreplaceable role of employment as a factor for integration, based on the following principles:

11.1. development of new sources of employment in the services field, in particular by local authorities, in order to meet needs which have not yet been catered for, for example by providing home help, local shops, refurbishment of public facilities and reassessment of environmental protection activities, but subject to the following two conditions:

- a. a. these new jobs should not compete with private activities;
- b. they should not cost society more than the social cost of unemployment;

11.2. encouragement of local development and employment schemes as advocated by the European Commission;

11.3. general agreement on the desirability of flexible working time, provided that this is mutually satisfactory to relevant groupings of workers and employees. Such voluntary contracts, where entered into, may reorganise and reduce working time on a weekly, monthly or yearly basis, to extend the practice of granting sabbatical years for training or retraining, and encourage a flexible retirement age;

11.4. launching of major public works, particularly in the field of public transport networks, to a large extent for the improvement of the transport connections between the western and eastern parts of Europe;

11.5. improving co-operation between schools, local authorities, NGOs and families to ensure that children and adolescents - as far as possible - have the same education and training opportunities;

11.6. keeping a link between employment and the right to sound working conditions, to health and to social security;

11.7. maintaining a budget for social expenditure so as to ensure provision of social security.

12. The above measures, which aim at reducing the level of unemployment and thus at reducing the cost of social insurance, should be accompanied by the following measures:

12.1. inclusion of as many persons as possible in taxation schemes and social security systems;

12.2. reducing the burden on labour and increasing the burden on non-labour aspects of production;

12.3. creation of a tax on ecological damage.

13. The Assembly is nevertheless aware that, in spite of all the above measures, some people will continue to need assistance:

13.1. in particular, families with children should receive grants to cover basic social needs;

13.2. the introduction of parental leave to allow parents to shoulder their responsibilities should be offered;

13.3. sufficient funding should be allocated to education to give everyone a high level of general education as well as vocational training;

13.4. people living in so-called "deprived" neighbourhoods should be involved in re-establishing a decent environment and existing schemes such as "neighbourhood management agencies" should be encouraged;

13.5. international co-operation should be redesigned, based on the principle of solidarity, in such a way as to link social affairs, environmental concerns and economic affairs, the three being interdependent;

13.6. While GDP may remain the principle economic indicator it may be assisted by others which take into account such factors as life expectancy, nutrition, health care and education, as proposed by the United Nations Development Programme (UNDP) which has devised a human development index (HDI);

13.7. social and environmental clauses should be included in international commercial relations, particularly agreements of the World Trade Organisation;

13.8. central and east European countries in transition should be helped and encouraged to guarantee basic social values while reforming their social policy;

13.9. all member states of the Council of Europe should devote 1% of their social expenditure to experimental labour market policies through project pilot schemes.

14. In order to support active labour market and social policies, and taking account of the rapidly changing international economic and social environment, the Assembly is convinced that an interinstitutional political initiative is necessary:

14.1. the Council of Europe and the European Union are urged to form a working group, which will draft a report on the developments of labour markets and social security standards in the member states of the European Union and of the Council of Europe. The working group should pay special attention to the problem of integrating the labour markets of:

countries of the Mediterranean area;

countries of central and eastern Europe;

industrialised countries of western and north-western Europe;

14.2. the task of the common working group to be formed by members of the Parliamentary Assembly of the Council of Europe and of the European Parliament will be to analyse the differences and common aspects of structures and perspectives in the three labour market areas mentioned above. Three points will be of major importance:

collecting, analysing and comparing labour market data;

researching and examining data on occupational structures;

surveying and analysing standards in social security law;

14.3. the working group shall examine in particular the financing of social security systems, taking into consideration the globalisation of markets as a result, among other things, of new information and communication technologies. Steps must be undertaken to examine how traditional financing of social security systems can be ensured in the long term by the gradual introduction of a value-added levy;

14.4. the aim of the report should be to lay the foundation for an informed and concentrated initiative for a convergence of standards of labour and social security law in the labour markets of the member states of the European Union and their neighbouring countries which are members of the Council of Europe. The report also should propose measures for a political programme in the phase of economic and social transition;

14.5. the working group will present a report on 30 June 1997.

15. Lastly, the Assembly once more urges the Committee of Ministers:

15.1. to adopt, without further delay, an additional protocol to the European Convention on Human Rights, safeguarding the fundamental right to equality between men and women;

15.2. to ensure that member states ratify the relevant Council of Europe conventions, in particular the Revised European Social Charter and the European Code of Social Security.