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Summary of Speech by Vice President Hillery to the European Parliament
in Strasbourg on 12 February on the "Social Situation in the Community
in 1973"

I am glad to be able to say that the outlook for employment prospects as affected by the energy situation is now very much brighter than earlier forecasts. There is now no longer any reason to expect widespread unemployment as inevitable, provided the right policies are followed and that the maintenance of employment is given priority in Governmental and Community policies. Nevertheless, the past few months have seen a dramatic change in the social outlook for the Community and the situation is undeniably serious and challenging. But it is a challenge which the Member States can take on as a Community far more successfully than any single country could hope to do on its own.

In these days of questioning the very existence of our Community it is worth recalling that the Community has achieved a growth in employment and living standards far exceeding that of most other countries. Of course we must go further and bring about more social justice in the Community - a more equitable distribution of the fruits of this growth. But what I want to stress is that even from the narrowest point of view of self-interest - leaving aside for the moment the political and other considerations, no Member State would be as well equipped to deal with today's social problems on its own as it is as a member of the Community. And if we - as we must - take it as our aim to reduce to the absolute minimum the damaging effects of this crisis on the jobs and living standards of our people, there is no other way of doing this but by acting together as a Community over the whole range of policies affected by the energy situation.

Even before the onset of the energy crisis, the employment prospects for 1974, threatened by accelerating inflation, were not encouraging. The energy situation threatens to give the inflation spiral a sharp upward twist. But if the social aspects get the priority in our policies that they must, the employment consequence can be kept within manageable limits. We would not find real solutions by adopting deflationary or socially unacceptable measures. These would not only fail to resolve the problems facing our economies but would in any case intensify our social problems.

I believe that the maintenance of full employment as a first priority in national and Community policies must be the very basis of our common strategy in approaching the problems caused by the energy situation. This will require Governments using budgetary measures to inject money into those regions and sectors which are most threatened. And there will need to be a permanent policy of contingency planning for the labour market in each of the Member States.

The proposals in the Social Action Programme designed to improve the functioning of the Community labour market acquire a new importance in this situation. There is a clear need for precise information on job availability in the Community and the skills required.

The social partners also have an important role to play. Work sharing, with the curtailment of overtime and the introduction of shorter working hours, is worthy of serious consideration.

In this way the employment drop which according to the latest calculations may be about 0.7% in the short-term, would result in a substantially lower figure in terms of the number of persons losing their jobs. My services are at present examining the longer-term effects of the energy situation on employment in connection with the report which the Commission has undertaken to prepare on this subject. It is only when this complex work is completed that we will be able to foresee the extent to which employment can be affected in the longer-term. But already it is clear that output - and consequently employment - will go down in certain sectors of industry while there will be expansion in others. One of the objects of our examination is to identify both categories and to assess the implications for job changes. This is obviously important in the assessment of future needs in training and re-training. The role which the Social Fund could play in assisting this training will also have to be considered.

The most vulnerable group in the face of the unemployment threat are the migrant workers, of whom three-quarters come from outside the Community. Most of them are doing our most menial work and living in deplorable social conditions. Our Community will be judged on how we treat these workers in the present situation. Do we regard them just as a means of ensuring our economic prosperity by filling jobs which our own citizens refuse to do? Are they to be disposed of, irresponsibly, when they become no longer useful? If this were to be our attitude would we ourselves be deserving of any sympathy in the hard competitive world of supply and demand?

We must now face up to the question of accepting responsibility for the welfare of the workers that we bring in to build up our Community. As employers we must, I feel sure, accept a reasonable share of the financial cost of providing for the normal human expectations of these workers and their families. The Social Action Programme gives a prominent place to the problems of migrant workers. The Commission will be submitting a first series of actions for migrant workers by 1 April and a second more comprehensive range of proposals by the end of the year.

As far as social policy is concerned, the Community is certainly better equipped now - with the adoption of the Council Resolution on the Social Action Programme - to tackle many of the problems which arise. This Parliament, which in the very tight timetable laid down by the Summit completed its Opinion on the draft resolution the very day before the Council Meeting of 11 December, has played a very great part in the success of the social policy. A year in which all too few new policies were agreed by the Council has brought, for the first time, a really comprehensive commitment by the Community to a process of far-reaching social reform.

In drawing up our proposals for implementing the Social Action Programme we will continue to work in close participation with the social partners. The Commission fully supports the demands of the European organisations of social partners for greater participation, not just in the drawing up of

proposals but in the decision-making process. We also fully agree with their demands for the extension of the range of policies in which they should participate to cover not just social policy proper but all the other policies that affect living and working standards.

That is why we have given our full support to the efforts being made by the Presidency of the Council to hold a tripartite conference of Governments, Social Partners and Community Institutions within the next few months. I would like to see this conference deal not only with the impact of the energy situation on employment but with the whole question of giving the social partners a real participation in decision-making in the Community.

Furthermore, there should be a tripartite discussion -- though perhaps more usefully at a second conference -- on the broader issues raised by the energy situation.

In the face of present difficulties we cannot afford to delay any longer giving the social partners the degree of participation which they are entitled to from a social point of view, which is so necessary if we are to produce sensible policies having the support of the people of the Community and which the Paris Summit has demanded.