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## **European Union Social Policy as an Instrument for Sustainable Development**

### **Abstract**

*This paper undertakes an analysis and assessment of European Union (EU) social policy in the context of the sustainability of the group's social and economic development. The process of Europeanizing EU social policy is not advanced. Thus, the weight of solving social problems primarily rests with member countries. EU social policy is "looser" in character than other EU policies and its scope is limited to those areas where member states were willing to transfer certain prerogatives to European Union level. The EU only supports social policy in the context of the sustainability of the group's social and economic development. The process of Europeanizing EU social policy is not and supplements the actions of member states in the social sphere. At the same time, the EU supports the concept of corporate social responsibility. Corporate social responsibility is defined as the voluntary taking into account by companies of social and environmental matters in their operations and in relations with interested parties.*

### **1. Introduction**

The sustainable development of a country or integrated group requires the taking into account of social questions in social-economic policy and the solving of social problem making their appearance over the course of

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accelerated economic growth. Unemployment, poverty, social exclusion, limited access to education, and social conflict are among the primary problems. Each society undertakes its own efforts at containing social problems through social policy that is more or less expanded, and applying instruments that, to a great extent, were molded over dozens of years of practice. Indirectly, social policy implemented on the level of the integrated group also serves the concept of sustainable development.

The objective of this paper is an analysis and assessment of European Union (EU) social policy in the context of the sustainability of the group's social and economic policy. This paper evaluates the level of Europeanization of such policy, where in this case "Europeanization" is understood as a political process bringing with itself continuous, mutual influence and negotiations among the various actors involved in the process of shaping policy on the integrated group's level. On the one hand, these are the member states, while on the other they are the EU institutions, mainly the European Commission. Successive parts of this paper present the implementation of EU social policy, within the framework of the Renewed Social Agenda, and attempt to assess the effects of this policy through the lens of changes in parameters characterizing the labor market in the EU. The final section takes into account the matter of the EU approach to social corporate responsibility understood as the voluntary taking into account by companies of social and environmental matters in their operations and relations with interested parties.

## **2. The Europeanization of European Union Social Policy**

The objective of social policy on the national level is, at the very least, the guarantying of a socially acceptable minimum living standard for the whole population of the country (Jovanović 2005, p. 771). Overall, social policy goes beyond matters related to employment and encompasses questions of pay, unemployment insurance, social welfare systems, retirement, health, occupational health and safety, education, and the professional as well as geographical mobility of the work force (Jovanović 2005, p. 771). European Union member states handle social policy on a national level. Four traditional European social models may be identified—i.e. Nordic, Anglo-Saxon,

Continental, and Mediterranean—that differ in terms of efficiency and the achieved levels of social equality<sup>1</sup>.

A common social policy is being administered on the European Union level, but the process of its Europeanization is not as advanced as in the case of certain economic policies. Topical literature stresses that over the past twenty years the process of European integration has been characterized by an absence of balance between economic and social policies (Grahl 2006, pp. 169-202). Economic policies are concentrated on market liberalization and are, to an increasing extent, under the control of the EU, while social policies continue to be primarily overseen by member states. It is clear that in the European integration process there is a strong asymmetry between policies promoting market efficiency and policies promoting social security and equality (Scharpf 2002, pp. 645–670). At the same time, subject to increasing economic integration, the member states face growing difficulties in implementing tasks in the realm of social policy.

The character of EU social policy is “looser” than other EU policies and its range is limited to those fields where member states were willing to surrender certain prerogatives to the European Union level. Social matters were within the field of interest of the Community from its very inception. This is borne out by the provisions of the Treaty of Rome (Jovanović 2005, pp. 777–781), but there was no agreement among interested parties as to the scope of social policy on the Community level as well as with respect to the subdivision of rights and responsibilities among national authorities and Community institutions (Purdy 2007, pp. 200–222).

During the initial period of integration, the most important decisions that related to social matters taken on the supra-national level involved the **free flow of workers** and **freedom of settlement**. One of the first legal documents approved by the EEC in 1958 was the social security system for workers migrating from member states. The **European Social Fund** (ESF) was created on the basis of Articles 3 and 123 of the Treaty of Rome. Its objective was an improvement in potential for employment, raising living standards, and increased mobility of the workforce in terms of geography and profession. The Fund is a financial instrument. Thanks to this it is possible to implement the group’s strategic objectives in the area of employment (Archer 2008, pp. 80–83; Jovanović 2005, p. 781). Currently, the ESF is one of the structural funds implementing common objectives in the area of EU social and economic cohesion.

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<sup>1</sup> For a broader comparison, see A. Sapir, “*Globalization and the Reform of European Social Models*,” *Journal of Common Market Studies*, 2006, vol. 44, no. 2, pp. 369–390.

The first expansion of the Community resulted in a need to take on social matters on the Community level. It was then that a series of multi-year social programs were initiated. The first was launched in 1974. The programs concentrated on questions of **increasing employment, improving living standards, and increasing the participation of social partners in the process of decision-making on the European Community level**. The impact of these programs on the above social problems is assessed as being poor. This is mainly because of the fact that policies in the field of employment continued to be treated as the domain of member states, while ESF resources were modest (Archer 2008 p. 81). Nevertheless, certain actions were taken at that time that enlarged the sphere of interest of the Communities to encompass social matters, particularly those concerned with **education, improved living and working conditions**, especially with respect to **women**, and stronger **legal protection for workers**<sup>2</sup>.

A strong legal basis for the conducting of social policy on the Community level was created in line with the implementation of the program for the building of a single internal market in the mid-nineteen-eighties pursuant to the Single European Act. Matters such as **worker safety and health protection, dialogue with social partners, and social-economic cohesiveness** found themselves within the field of interest of the Community (Archer 2008, p.81, Purdy 2007, p.214). Eleven Community members (Great Britain was the exception) approved the *Community Charter of Fundamental Social Rights for Workers* in the form of a formal declaration in 1989. This event should be considered as an effort at finding balance among the various concept of a "Social Europe." The Charter was intended to establish a common set of social standards that held up the possibility of satisfying the interested parties. In reality, the character of the Charter was symbolic and unbinding. It was considered a retreat from the realm of social policy by the proponents of greater involvement in social matters on the part of the European Communities. However, time has shown that the Charter was the first step in the direction of leading social policy with the help of "soft coordination" rather than "hard law." (Purdy 2007, p. 214) .The Charter became the basis for an agreement on social policy, attached as a protocol to the Maastricht Treaty (Grahl 2006, pp. 177–178).

That treaty introduced three new objectives of social character, specifically:

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<sup>2</sup> For a broader comparison, see Z. Wysokińska and J. Witkowska, *Integracja europejska. Rozwój rynków* [European integration: Market development], PWN Scientific Publishers, Warsaw–Łódź, 1999, pp. 245–246.

- **Suitable social security,**
- **Social dialogue, and**
- **Human resource development for sustainable employment.**

Moreover, the principle of a supermajority in voting was expanded to include matters such as health and safety, working conditions, information and consultations, equality of the sexes on the labor market, and the integration of people excluded from the labor market (Archer 2008, p. 81, Purdy 2007, p. 214). Great Britain guaranteed itself the right to remain outside the protocol, binding on other member states. This was the situation until political changes in that country in 1997.

The Treaty of Amsterdam supplemented the scope of social policy conducted on the EU level to include matters of **non-discrimination** as well as the **fight against manifestations of discrimination** based on sex, race, ethnic origin, religion or faith, disability, age, and sexual orientation. The main provisions relating to social policy were contained in a new section introduced into the European Community Treaty on the basis of the Treaty of Amsterdam (Title XI encompassing Articles 136 to 145).

A successive treaty—the Treaty of Nice—expanded processes of cooperation and coordination in the social sphere on the EU level to include **social security and worker social protection, fighting against social exclusion, and the modernization of social safety systems** (Marlier, Atkinson, Cantillon, and Nolan 2007, p. 21).

The Treaty of Lisbon—i.e. the Treaty on the Functioning of the European Union—which came into force in December of 2009, does not change the character, objectives, scope, and instruments of EU social policy in any significant manner. Currently, the legal basis for managing such policy is Title X of the Treaty, which encompasses Articles 151 to 161 (Treaty 2008). Areas of this policy where the European Union provides support and supplements the actions of member states may be subdivided into two groups—i.e. those encompassed by ordinary legislative procedures and those subject to special ones. Among fields encompassed by **voting supermajority** are (Article 153):

Improvement, especially in the work environment so as to protect health and safety,

- Working conditions,
- Worker information and consultations,
- Integration of people excluded from the labor market, without detriment to Article 166 relating to occupational education policy,

- The equality of men and women with respect to opportunities on the labor market and treatment at work,
- Fighting social exclusion, and
- Modernization of social protection systems, without detriment to social security and worker social protection.

The special legislative procedure, which signifies **unanimity** in decision-taking, encompasses the following<sup>3</sup>:

- Social security and social protection for workers,
- Worker protection in cases of termination of employment agreements,
- Collective representation and protection of the interests of workers and employers, including co-management,
- Terms of employment of citizens of third party countries legally present within the territory of the European Union.

The Council, in a unanimous determination based on a recommendation by the Commission and following consultations with the European Parliament, may decide to apply ordinary legislative procedures with respect to the last three fields specified—excluding social security and worker social protection (see Article 153).

Supporting and supplementing the actions of member states means that the EU level may formulate, by way of directives, **minimum requirements** gradually introduced with respect to specified fields, regardless of voting procedures, with the exception of fighting social exclusion and the modernization of social safety systems.

There are also areas of social policy that are definitively excluded from under any influence whatsoever on the EU level. These include matters of remuneration, the right to associate, the right to strike, and the right of lock-out<sup>4</sup>.

The existence of three categories in the area of social policy (subject to the principle of voting supermajority, the principle of unanimity, and exclusion from harmonization) indicates that this is a sensitive sphere with respect to the member state of the EU that are tied with various social models and needs of autonomy on the part of the national social partners (Pelkmans 2006, p. 328; Purdy 2007, p. 215). EU achievements in this sphere to date are rated as not being significant. Effective directives apply to framework and detailed questions of occupational health and safety, working time, the rights of atypical workers

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<sup>3</sup> Article 153 of the Treaty on the Functioning of the European Union, Clause 2.

<sup>4</sup> Article 153 of the Treaty on the Functioning of the European Union, Clause 5.

and those working part-time, worker councils in large companies, and the equality of men and women.

An analysis of EU social policy seen through the prism of a striving for the sustainable development of the European Union indicates that the open coordination methods include the primary domains of social policy understood in their traditional sense. Topical literature stresses that the interests of EU social policy also encompass areas linked with work (the mobility of the labor force, unemployment, worker rights, industrial health and safety, equality of the sexes, etc.) that are not always of key importance in national policies (Daly 2006, pp. 461–481). At the same time, it is noted that social policy on the EU level is “shallow” in areas considered as being in the forefront of national policies—social security and income distribution.

EU social policy differs with respect to national concepts of the welfare state in the following areas (Daly 2006, pp. 464):

- Objectives are targeted at European integration, understood as market integration, where on the national level this involves the building of a welfare state and group identification;
- Key values lying at its basis are the principles of subsidiarity and solidarity;
- Its scope does not include matters of social security and income redistribution, which make up the core of national policies;
- Major weight is attached to the rational model of conducting policies and on the discursive process in methods of undertaking policies;
- What is broadly understood as the institution of agency is emerging around the implementation of such policy, where in the case of EU social policy what is being implemented are obligations regarding social dialogue, the promotion of social partnership, and the involvement of the actors of a civic society.

### **3. The Renewed Social Agenda and Programs for Its Implementation**

The European Union’s interest in social matters as stemming from its quest for a balance between the economic and social aspects of integration has resulted in the systematic development of medium-term action programs. Following approval of the Lisbon Strategy, the European Union has developed and implemented the Social Policy Agenda that has been treated as something akin to a “roadmap” serving the modernization and improvement of the European social model through investment in people and the building of an active welfare state (Communication from the Commission 2003). The Agenda

is to serve the implementation of the objectives of the Lisbon Strategy by establishing mutual influence among economic, employment, and social policy. During its Lisbon summit, the European Council decided that this is to be achieved through **open coordination methods** in the area of social policy. This signifies the leaving of choices as to the social policy sphere on the national level, while simultaneously undertaking efforts at their improvement by promoting common goals and Community indicators (reference marks) as well as by a comparative assessment of the state of national policies (Scharpf 2002, p.666).

The European Union approved the Renewed Social Agenda in 2008 in light of the fact that existing social problems had not been solved, while new social and economic ones appeared (Communication from the Commission 2008). The intention of the Commission was to not restrict itself to traditional social matters, but to give the new Agenda a cross-sectional and multi-dimensional character. Matters referred to by the Agenda include **policies involving the labor market, education, healthcare, immigration, and inter-cultural dialogue**. The renewed Agenda formulates three equivalent, interrelated goals, specifically (Communication from the Commission 2008, p.7):

- Creating opportunity – signifying the creation of more numerous and better work places as well as facilitating mobility;
- Guarantying access – which means easier access for EU citizens to good quality education, social security, healthcare, and services that can play a role in overcoming inequality in starting as well as making a longer and healthier life available to all;
- Demonstrating solidarity – meaning the carrying of assistance to people in difficult situations by supporting social integration, participation, and social dialogue as well as combating poverty.

Priorities in the social sphere were formulated in line with the objectives of the renewed Social Policy Agenda, specifically (Communication from the Commission 2008):

- Children and youth: the future of Europe,
- Investing in people: the quantity and quality of jobs, and new skills,
- Mobility,
- Longer and healthier lives,
- Fighting poverty and social exclusion,
- Tackling discrimination, and
- Opportunities, access, and solidarity in the international context.



The Communication for the Commission on the Renewed Social Policy Agenda reiterates the continuation of the open method of coordination in this sphere (Communication from the Commission 2008, p. 19).

The financing of actions assumed in the Agenda shall take place in the running financial perspective (the years 2007–2013) using cohesion policy resources, especially those of the **European Social Fund** (Communication from the Commission 2008, pp. 20–21). It is within the framework of this Fund that resources are assumed for increasing the capacity of companies and workers to predict and manage changes (EUR 14 billion), improving education and training (EUR 26 billion), increasing employment, including the fight against discrimination (EUR 30 billion), investing in healthcare (EUR 5 billion), and increasing migrant employment and social integration support (EUR 1.2 billion). Integration of new migrants in member states is also supported by the **European Fund for the Integration of Third-Country Nationals** (2007–2013), while support for workers laid off in connection with globalization processes is the task of the **European Globalization Fund** established in 2007. Two funds financing the common agricultural policy—the **European Agricultural Guarantee Fund** and the **European Agricultural Fund for Rural Development**—also play a role in implementing actions assumed by the Agenda. The following programs for the years 2007–2013 are involved in implementation of the Agenda (Communication from the Commission 2008, p.21):

- The PROGRESS program for employment and social solidarity, strengthening partnership among key parties in the EU and in the individual states;
- The “Lifelong Learning” Program supporting the development of education and training in a good level;
- The “Youth in Action” Program supporting the social integration of young people.

The **PROGRESS program** encompasses five basic fields important in the implementation of EU objectives in the sphere of employment and social matters, including employment, social protection and inclusion, working conditions, diversity and combating discrimination, and gender equality (Decision No 1672/2006/EC). The program has a list of operational goals for each of the specified areas. The program budget amounts to EUR 743 million.

The following activities are provided with financing:

- Analyses,
- Actions aimed at mutual learning, increased awareness, and dissemination of knowledge, and

- Support for the main “players”—i.e. participation in the operational costs of creating a network in the EU, establishing of working groups, training seminars, creating observer networks on the EU level, the exchange of national administration staff, and collaboration with international institutions.

Actions assumed by the PROGRESS program are clearly “soft” in character, which is tied with the relatively low level of Europeanization of social policy.

The European Union has a long tradition in supporting collaboration among member states in the area of **education**. In the wake of approval of the Lisbon Strategy, actions in the area of education are treated in a comprehensive manner and are seen as playing a role in achieving the objectives assumed in the strategy. The Education and Training 2010 program was approved in 2002, while in 2009 the Council of the European Union accepted its revision, taking on the strategic framework of European collaboration in the area of education and training—ET 2020 (Council Conclusion 2009). Strategic goals were defined as follows:

- Goal 1: Implementation of the concept of lifelong learning and mobility;
- Goal 2: Improvement in the quality and effectiveness of education and training;
- Goal 3: Promoting equality, social cohesiveness, and civic action;
- Goal 4: Increasing creativity and innovativeness, including entrepreneurship, on all levels of education.

At the same time, the Council document defines reference levels establishing the average European results with respect to the above goals. However, it is clearly stressed that reference levels should not be seen as being concrete goals that each state must achieve by the end of 2020. Rather, member states are asked to consider how and to what extent, on the basis of national priorities and the changing economic situation, they can help in mutually achieving the reference levels using national action<sup>5</sup>.

The main aim of the “**Lifelong Learning**” Program 2007–2013” is support for exchange, collaboration, and mobility among educational and training systems within the European Union so that they can achieve a high level of quality. A total of EUR 6.97 billion is designated for performance of this

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<sup>5</sup> Annex I to the Council Conclusion of May 12, 2009: Reference Levels Designating the Average European Result (“European Reference Levels”), Official Journal of the European Union C119, May 28, 2009.

program (Lifelong Learning Program 2007–2013). The program is subdivided into six subprograms, of which the character of four of them is sector-oriented. They are:

- Comenius – A program dedicated to preschool and school education, inclusive of upper secondary schools as well as involved institutions and organizations, where it is assumed that by the end of the program it will have encompassed three million pupils (13% of the total budget is earmarked for this program);
- Erasmus – A program addressed to formal education on a higher level as well as professional education and training at the third level of education, including doctoral studies, where it is assumed that by the end of 2012 it shall have encompassed a total of three million people (40% of the total budget is earmarked for this program);
- Leonardo da Vinci – A program intended for professional education and training other than at the third educational level, where it is assumed that each year shall see 80,000 training courses (25% of the total budget is earmarked for this program);
- Grundtvig – A program aimed at all forms of adult education, where it is assumed that 7,000 people shall benefit each year (4% of the total budget is earmarked for this program);
- Transversal Program – A program encompassing all other activities not encompassed by the above-specified programs, including promotion in the teaching of languages;
- Jean Monnet Program – A program aimed at promoting teaching and research in the field of European integration as well as support for institutions active in the sphere of education and research on the EU level.

#### 4. European Union Social Policy Outcome Assessment

Any evaluation of EU social policy must take into account the fact that the primary responsibility for the social sphere lies with the member states, where the supra-national level lacks any “hard” instruments to carry out social policy and achieved effects in this field cannot be compared with other areas where the EU level has created a separate set of instruments and earmarked financial resources.

With respect to the European Union **labor market**, the statement that it is a collection of national labor markets among which there is a free flow of workers continues to be true. This freedom is real and consistently implemented,

but the outcome of its establishment is that no common European Union labor market has emerged. The reason behind this state of affairs is primarily seen in the existence of social protectionism in the EU (Pelkmans 2001, pp. 166 and 187–190). The EU labor market is subject to a high degree of national regulations and the free flow of workers occurs under the “control” of the host country. However, efforts are being made to make the labor market more flexible.

As presented above, the member states implement different social models that also vary in their impact on parameters characteristic of the labor markets of those countries. For example, the levels of **employment rates** in most countries differ *in minus* from the assumptions of the Lisbon Strategy. An employment indicator of 70% and above is achieved by only some of the old member states, while the group of countries with the lowest indicators primarily includes the newest member states.

Observation of a successive indicator—the **unemployment rate**—demonstrates that unemployment in the EU decreased up to the year 2007 and there was a rapid convergence among the countries (Report from the Commission 2009 p. 3). In December of 2008 the average unemployment rate was still at a moderate level amounting to 7.7% for the EU27 and 7.8% for the EU 15. In the euro zone, however, it amounted to 8.2% (Eurostat data). The consequences of global crisis brought about a sudden growth in the unemployment rate in countries such as Spain, the Baltic States, Ireland, and Slovakia. In line with data from the end of 2009, the unemployment rate of those countries reached double-digit levels (Eurostat data). For example, in Spain the unemployment rate increased to 19%, in the Baltic States it was in the 15.6%–19.8% range, in Slovakia it was 14.4%, while in Ireland it was 12.9%. By the end of 2009, the unemployment rate in certain countries was twice as high as in 2007. The situation in other member states remains equally serious, especially in light of the high level of internationalization of the economies of member states and their mutual trade links. The upward tendency in the unemployment rate in the above-specified countries was also maintained in the first half of 2010. Detailed data on the shaping of the unemployment rate in the EU27, the euro zone, and the individual member states is presented in Table No. 1. The data show that differences in unemployment rates are not tied in agreement with the subdivision into the euro zone and the remaining countries, nor by old and new member states, but transversely with respect to such divisions. The problem of growing unemployment rates is left for solving on the national level, where open coordination on the EU level can only help to a limited extent.

Another indicator that shows the differentiation of the labor markets of EU countries is the hourly labor cost presented in Table No. 2. In 2007, for

which relatively complete data is available, the bottom of the scale is occupied by two new member states, Bulgaria and Romania, where the labor costs amount to EUR 1.9 and EUR 3.4, respectively. The top of the scale is the domain of countries such as Denmark (EUR 34.7), Sweden (EUR 33.3), Luxembourg (EUR 33.0), and Belgium (EUR 32.6).

The basis for these differences is differentiation in labor productivity and related wages as well as differentiation in burdens applied by the state in connection with utilization of labor. Although true that a systematic increase in hourly labor costs can be seen in the new EU member states, synchronization of the basic component of labor costs—wages—does not seem possible in the nearest future. Moreover, it does not seem economically justified from the point of view of poorly developed countries.

With respect to **occupational health and safety**, the EU has passed relevant directives and implemented multi-year strategies (Communication from the Commission 2007). Effects achieved in this field are assessed as being positive. A significant fall in the number of accidents at work was noted while the Community strategy was in force over the years 2002–2006. In 2002–2004 (the most recent available years), the number of fatal accidents at work in the EU15 decreased by 17%, while the number of accidents at the workplace resulting in more than three days absence from work decreased by 20%. It is expected that new statistical data will confirm these positive tendencies. The new strategy for the years 2007–2010 proposes the achievement of a new target: Decreasing the overall work accident indicator in the EU27 by 25% by the year 2012 through an improvement in healthcare and worker safety (Communication from the Commission 2007, p. 3).

The main changes that occurred in the field of the **equal treatment of men and women** are not univocally considered positive (Report from the Commission 2008). Over the years 2000–2006 employment grew in the EU27 by approximately 12 million jobs, including 7.5 million jobs for women. The employment rate for women (57.2%) grew over this period more quickly than the employment rate for men—i.e. by 3.5 percentage points as compared with one percentage point. In the group of workers aged over fifty-five, growth in the employment rate for women (7.4. percentage points) was as quick as growth in the employment rate for men. As a result of these changes, divergence of the employment rates for men and women decreased from 17.1 percentage points in 2000 to 14.4 percentage points in 2006. This is a positive phenomenon from the point of view of the assumed goals of the Lisbon Strategy (Report from the Commission 2008).

However, qualitative changes were not positive to the same extent as quantitative changes. Remuneration, labor market segregation, and women in

decision-making position indicators have not demonstrated significant changes for many years. Differences in wages have been steady at a level of 15% as of 2003, which is only one percentage point less than in 2000. Segregation by sector and profession in accordance with sex has not decreased. In fact, it is even growing in certain countries, which means that women who have recently entered the labor market found employment in sectors and professions that are already strongly feminized. The presence of women in managerial positions in companies has stabilized at a level of 33%, while in political posts it amounts to only 23%. In the case of women, reconciling professional and personal life continues to be more difficult than in the case of men. The employment rate in the case of women with small children amounts to 62.4%, while the employment rate for men in the same situation is 91.4%. Over three-quarters of those employed part-time are women. More women (by one percentage point) are also employed for a stipulated period of time (15.1%) (Report from the Commission 2008).

The European strategy for economic and employment growth (“better and more numerous jobs”) seems to be bringing in favorable quantitative effects, but qualitative changes are not visible. This difference has an impact on the social situation of women.

## **5. The Approach of the European Union to Corporate Social Responsibility**

References to corporate social responsibility may be found in initiatives and documents of international organizations, including initiatives such as the UN Global Compact, OECD Guidelines for International Companies, the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work, and the Rio Declaration on the Natural Environment and Development Agenda 21. They indicate bilateral benefits that can be achieved by parties interested in implementing the concept of corporate social responsibility.

Corporate social responsibility is also treated as an exceptionally important problem by the European Union. In Lisbon, in 2000, the Council of Europe appealed to European companies for conscious corporate responsibility. The year 2001 saw the approval of the Green Paper on Promoting a European Framework for Corporate Social Responsibility. The objective of that document was the launching of a debate on the concept of social responsibility and ways of creating partnerships for the development of a European approach to this question. What was defined at that time was the **social responsibility of companies as the voluntary taking into account by companies of social and**

**environmental matters in their operations as in relations with interested parties** (Green Paper 2001, p. 4). In line with this concept, the company decides to go beyond minimal legal requirements and obligations as derived from collective agreement in order to take social needs into account.

In 2002 the European Commission proposed a strategy oriented at the dissemination of knowledge regarding corporate responsibility and its positive impact on Europe's business and society, the exchange of experience and best practices, the promotion of managerial skills in the realm of corporate social responsibility, spreading this concept amidst small and medium enterprises, bringing the practices and tools used by companies closer, incorporating social responsibility into Community policy, and the creation of a multilateral forum of stakeholders on the EU level.

In its communication of 2006, entitled *Implementing the Partnership for Growth and Jobs: Making Europe a Pole of Excellence on Corporate Social Responsibility*, the European Commission announced support for a European alliance for socially responsible companies. This is understood as something of a political "umbrella" for new and existing initiatives in the area of corporate social responsibility as undertaken by both major companies and SMEs. However, this is not a legal instrument. Companies do not have to sign into the alliance, but may support it on a voluntary basis. The role of the Commission is to encourage companies to provide access to information on social responsibility to all interested parties, including consumers, investors, and the public. The communication proposes actions concentrated on the following aspects:

- Increased awareness and the exchange of best practices in the area of corporate social responsibility;
- Support for multilateral initiatives, such as the European Platform for Nutrition and sector-oriented social dialogue committees;
- Collaboration among member states;
- Consumer information and transparency;
- Research work, especially interdisciplinary research into the dependence between corporate social responsibility and competitiveness and sustainable development;
- Education, the accumulation of knowledge on corporate social responsibility and the introduction of this topic into curriculums;
- Small and medium enterprises and facilitating an exchange of experience;
- The international dimension of corporate social responsibility, the dissemination of knowledge concerning instruments and initiatives undertaken on the global and international level.

European Commission documents stress the fact that there is agreement in Europe as to the definition of corporate social responsibility in spite of the fact that its character and description vary depending on national and cultural context (Communication from the Commission 2006).

## **6. Conclusions**

1. The sustainable development of a country or an integrated group requires a taking into account of social matters in social and economic policy and in solving social problems making their appearance over the course of accelerated economic growth. Social policy conducted on the EU level may be seen as an instrument of the broader European Union strategy of sustainable development, although its Europeanization is not advanced. In connection with the limited extent of Europeanization of social policy, the weight of solving social problems mainly rests with the member states.
2. EU social policy is “looser” in character than other EU policies and its scope is limited to those fields in which the given member states were willing to transfer certain rights to the European Union level. The treaty of Lisbon—i.e. the Treaty on the Functioning of the European Union—which came into effect on December 1, 2009, does not change the character, goals, scope, or instruments of EU social policy in any significant manner.
3. The European Union supports and supplements the actions of member states in the social sphere, which signifies that the EU level may formulate, by way of directives, minimum requirements to be gradually introduced with respect to areas as defined in the Treaty.
4. The European Union applies open methods of coordination in the area of social policy. This signifies the leaving of decisions in the area of social policy on the national level, where, simultaneously, efforts are made at improvement through the promotion of Community goals and Community indicators (reference marks) as well as by comparative assessment of the state of national policies.
5. The open method of coordination encompasses basic domains of social policy understood in the traditional sense. EU social policy also incorporates areas related to work such as labor force mobility, unemployment, worker rights, industrial health and safety, and equality of the sexes into its sphere of interest. At the same time, it notes that social policy on the EU level is “shallow” in areas deemed to be primarily for national policies, namely social security and income distribution.



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6. Support for the concept of corporate social responsibility supplements action for sustainable development of the European Union. Corporate social responsibility is defined as the voluntary taking into account by the company of social and environmental questions in its operations and in relations with interested parties. Pursuant with the concept, companies take the decision to go beyond minimum legal requirements and obligations as stemming from collective agreements, in order to take into account society's needs.

**Table 1. The Unemployment Rate in the Countries of the European Union, the United States, and Japan, 2008–2010, %**

Item	December 2008	June 2009	December 2009	May 2010
<b>EU27</b>	<b>7.7</b>	<b>8.9</b>	<b>9.4</b>	<b>9.6</b>
<b>Euro zone (16)</b>	<b>8.2</b>	<b>9.4</b>	<b>9.9</b>	<b>10.0</b>
Belgium	7.1	7.8	8.2	8.6
Austria	4.2	5.0	4.7	4.0
Bulgaria	5.4	6.4	8.6	9.7
Czech Republic	4.7	6.7	7.5	7.5
Denmark	4.1	6.1	7.2	6.8
Germany	7.1	7.7	7.4	7.0
Estonia	7.7	13.3	15.6	19.0 <sup>a)</sup>
Finland	6.9	8.4	8.8	8.6
Latvia	11.3	17.2	19.8	20.0 <sup>a)</sup>
Lithuania	8.1	13.5	15.9	17.4 <sup>a)</sup>
Ireland	8.3	12.1	12.9	13.3
Greece	7.9	9.2	10.2	11.0 <sup>a)</sup>
Spain	14.8	18.1	19.0	19.9
France	8.5	9.4	9.8	9.9
Italy	7.0	7.6	8.5	8.7
Cyprus	4.0	5.3	6.2	7.2
Luxembourg	5.3	5.8	5.2	5.2
Hungary	8.5	9.9	10.7	10.4
Malta	6.1	7.2	7.1	6.7
Netherlands	2.8	3.3	4.0	4.3
<b>Poland</b>	<b>7.0</b>	<b>8.1</b>	<b>9.1</b>	<b>9.8</b>
Romania	5.9	6.4	7.6	7.4 <sup>a)</sup>
Portugal	8.1	9.6	10.2	10.9
Slovakia	9.3	11.6	14.4	14.8
Slovenia	4.2	6.2	6.5	7.1
Sweden	7.0	8.3	8.9	8.8
Great Britain		7.8	7.7	7.9 <sup>a)</sup>
<b>United States</b>	<b>7.2</b>	<b>9.5</b>	<b>10.0</b>	<b>9.7</b>
<b>Japan</b>	<b>4.3</b>	<b>5.3</b>	<b>5.2</b>	<b>5.2</b>

Source: Harmonized unemployment rate by gender – total, <http://epp.eurostat.ec.eu>.

**Table 2. The Hourly Labor Cost in the Countries of the European Union, 1998–2008, EUR**

Country	1998	2000	2004	2005	2006	2007	2008
<b>EU27</b>	17.08	18.32	20.25	20.47	19.85	:	:
<b>EU25</b>	17.36	19.35	21.45	21.82	21.49	:	:
<b>EU15</b>	19.99	21.96	24.31	25.13	25.79	:	:
Belgium	:	26.61	30.30	30.62	31.43	32.56	33.66
Bulgaria	1.11	1.23	1.45	1.55	1.65	1.89	:
Czech Republic	3.23	3.86	5.85	6.63	7.14	7.88	:
Denmark	24.63	26.53	30.7	31.98	33.09	34.74	:
Germany	23.60	25.00	26.90	27.10	27.60	27.80	:
Estonia	2.42	2.85	4.24	4.67	5.5	6.6	7.51:
Ireland	:	:	:	:	:	:	:
Greece	9.77	10.98	:	:	:	:	:
Spain	14.13	14.22	14.76	15.22	15.77	16.39	:
France	22.94	24.84	28.46	29.29	30.25	31.24	31.97
Italy	18.30	18.99	21.39	:	:	:	:
Cyprus	8.19	9.10	11.10	11.65	11.98	12.45:	13.31:
Latvia	1.71	2.22	2.52	2.77	3.41	4.41	5.42
Lithuania	1.95	2.63	3.22	3.56	4.21	5.09	:
Luxembourg	21.56	24.48	29.97	31.10	31.98	33.00	33.63
Hungary	3.02	3.63	5.54	6.14	6.34	7.13	:
Malta	:	:	7.77	8.35	8.69	:	:
Netherlands	20.18	22.31	27.23	27.41	:	:	:
Austria	22.17	23.05	25.32	26.23	26.96	27.61	:
<b>Poland</b>	<b>3.73</b>	<b>4.48</b>	<b>4.74</b>	<b>5.55</b>	<b>6.03</b>	<b>6.78</b>	:
Portugal	7.6	8.13	10.2	10.6	10.97	11.32	11.73:
Romania	:	1.41	1.76	2.33	2.68	3.41	:
Slovenia	8.51	8.98	10.41	10.76	11.29	12.09	:
Slovakia	2.91	3.07	4.41	4.80	5.33	6.41	:
Finland	20.40	22.10	25.34	26.70	27.20	27.87	29.38
Sweden	23.99	28.56	31.08	31.55	32.16	33.30	:
Great Britain	19.16	23.71	24.71	24.47	25.51	26.39	:

Source: <http://epp.eurostat.ec.europa.eu>.

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## Streszczenie

### **POLITYKA SPOŁECZNA UNII EUROPEJSKIEJ JAKO INSTRUMENT ZRÓWNOWAŻONEGO ROZWOJU**

*W artykule została przeprowadzona analiza i ocena polityki społecznej Unii Europejskiej (UE), w kontekście równoważenia rozwoju społeczno-gospodarczego ugrupowania. Proces europeizacji polityki społecznej UE nie jest zaawansowany. W związku z tym, ciężar rozwiązywania problemów społecznych spoczywa głównie na*

*krajach członkowskich. Polityka społeczna UE ma bardziej „luźny” charakter niż inne polityki UE i jej zakres jest ograniczony do tych dziedzin, w zakresie których kraje członkowskie były skłonne do przekazania pewnych uprawnień na szczebel unijny. UE jedynie wspiera i uzupełnia działania państw członkowskich w sferze społecznej. Jednocześnie UE wspiera ideę społecznej odpowiedzialności przedsiębiorstw. Społeczną odpowiedzialność przedsiębiorstw definiuje się jako dobrowolne uwzględnienie przez przedsiębiorstwa problematyki społecznej i ekologicznej w swojej działalności i stosunkach z zainteresowanymi stronami.*