

The European Social Model

Modernisation
or Evolution?

NICK ADNETT AND
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Glossary of terms

ARD	Acquired Rights Directive
CEEP	Conseil Européene Employeurs Publique (EU Public Sector Organisation)
CIFE	Conseil des Fédérations Industrielles d'Europe
CRD	Collective Redundancies Directive
DG V/DG Empl	EU Commission's department managing social affairs and employment relations
EC	European Community
ECHR	European Convention on Human Rights
ECJ	European Court of Justice
ECS	European Company Statute
ECSA	European Community Shipowners' Association
ECSC	European Coal and Steel Community
EDWS	economically dependent workers
EEA	European Economic Area
EEC	European Economic Community
EES	European Employment Strategy
EFREP/FERPA	European Federation of Retired and Elderly Persons
EFTA	European Free Trade Association
EMU	European monetary union
EP	European Parliament
ESF	European Social Fund
ESM	European Social Model
ETO	economic, technological and organisational
ETUC	European Trade Union Confederation
ETUI	European Trade Union Institute
EU	European Union
EWC	European Works Council
FSA	Financial Services Authority
FST	Federation of Transport Workers' Unions
GDP	Gross Domestic Product
ILO	International Labour Organisation
ITUCs	Interregional Trade Union Councils
NAPs	National Employment Action Plans
NIC	National Information and Consultation

OMC	Open Method of Co-ordination
SAPs	Social Action Programmes
SE	Societas Europea
SMEs	Small and medium-sized enterprises
SPA	Agreement on Social Policy
TEU	Treaty on European Union
UN	United Nations
UEAPME	Union Européenne de l'Artisan et des Petits et Moyennes Entreprises (EU Association of Small Businesses)
UNICE	Union industria employeurs Européenne (EU Employers' Organisation)
WTD	Working Time Directive
WTO	World Trade Organization

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Regulation 1408/71 Social Security Regulation

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Regulation 2157/2001 Regulation for a European Company Statute

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- Council Directive 76/207/EEC Equal Treatment Directive
- Council Directive 77/187/EEC on the approximation of laws of the Member States relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses, or parts of businesses (Acquired Rights Directive)
- Council Directive 78/855/EEC Third Council Directive concerning mergers of public limited companies
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- Council Directive 86/613/EEC on equal treatment in respect of self-employed social security
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- Council Directive 89/655/EEC on the minimum health and safety requirements for the use of work equipment by workers
- Council Directive 89/656/EEC on the minimum health and safety requirements for the use by workers of personal protective equipment at the workplace
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- Council Directive 90/679/EEC on the protection of workers from the risks related to exposure to biological agents at work
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New Works Constitution Act 2001 (Germany)
Trade Union Law 1982 (France)
Trade Union Recognition Act 2000 (Ireland)

Preface

A distinguishing feature of economic integration in Europe has been a concern for social, as well as economic development. The creation and consolidation of a European Social Model has been the manifestation of this concern. This model features a relatively high level of social protection, both in terms of social welfare provision and in the creation of workers' rights and employment regulation. The impact of this model on the economic and social development of Europe has been much debated, but since the 2000 Lisbon Council the Member States have agreed that this model is in need of modernisation.

The objective set at Lisbon was of creating in Europe the most competitive and dynamic knowledge-based economy in the world. This was felt by many EU Member States to require fundamental reforms of social policy and the explicit coordination of European social, employment and macroeconomic policies. In the following chapters we explore the current status of European social policy, examine its economic rationale, identify the main factors promoting reform and assess the priorities for reform in the enlarged EU. Our underlying concern is to question whether the successful modernisation of employment regulations and social policies requires a new priority of EU objectives in which economic and employment objectives supersede social ones.

In seeking to answer this question we initially examine the history of European social policy and employment regulation and examine the evolution of legal and decision-making processes in the EU. In particular we report the shift towards 'soft law' measures and the increasing use of derogation and more flexible means of transposing European law into that of the individual Member States. We assess the extent to which these shifts are a reflection of the diversity of labour market behaviour in the EU or a response to a perceived need to promote more flexible regulations. Our approach throughout is to examine the economic rationale for regulations and to analyse the extent to which individual Directives and regulations are consistent with both the EU's economic and social objectives. We conclude that in some areas, soft law approaches provide a more effective mechanism, legally, politically and economically, for promoting social development in an EU of 25 Member States (EU25). The current Treaty base for social protection has served the EU well in terms of developing principles, rights and freedoms. However this hard

law approach has not prevented continuing large variations in effective workplace rights across Member States. The emerging importance of social dialogue proffers a more effective vehicle for resolving conflicts between the economic and social objectives of the Union.

Our broad conclusion is that well-designed and clearly targeted employment regulations, when framed with sensitivity towards the diversity of labour market behaviour in an enlarged Europe, can promote both economic and social development. We argue that the decline of Social Europe is not inevitable: indeed the continuing widespread popularity of these policies remains a crucial element in maintaining the social consensus essential for continued European economic integration.

This book arises due to the timely events of enlargement, incorporating the extension of Social Europe, and as a result of a fruitful collaboration of nearly 12 years between the authors, culminating in several contributions to the economic-legal analysis of the EU social policy, as this book's bibliography will attest. As ever the authors wish to both warmly thank spouses and families for their support in the writing of this book, as well as apologise for the mental and physical absences caused by this publishing project. Thanks are also expressed to Mark Butler for research assistance, Laura Short for efficient secretarial service, and to our publisher for patience and kind assistance in relation to its publication. The normal disclaimers apply, and the law is stated as at 1 July 2004.

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