

COM-6/036

Brussels, 10 December 2001

OPINION

of the

Committee of the Regions

of 14 November 2001

on the

Communication from the Commission

"Employment and social policies: a framework for investing in quality"

(COM(2001) 313 final)

The Committee of the Regions

HAVING REGARD TO the Communication from the Commission "Employment and social policies: a framework for investing in quality" (COM(2001) 313 final);

HAVING REGARD TO the decision of the Commission of 25 June 2001, under the first paragraph of Article 265 of the Treaty establishing the European Community, to consult it on this matter;

HAVING REGARD TO the decision taken by its Bureau on 12 June 2001, to draw up an opinion on this matter and to instruct Commission 6 (Employment, Economic Policy, Single Market, Industry and SMEs) to undertake the preparatory work;

HAVING REGARD TO its Opinion on the Communication from the Commission "From Guidelines to Action: the National Action Plans for Employment" (COM (1998) 316 final) and the Communication from the Commission "Proposal for Guidelines for Member States' Employment Policies 1999" (COM (1998) 574 final), CdR 279/98 fin, COM-6/007¹;

HAVING REGARD TO its Report on the Review of Public Services Delivery, CdR 369/99 fin, COM-6/015;

HAVING REGARD TO its Opinion on a "Proposal for Guidelines for Member States' Employment

Policies 2000" (COM(1999) 441 final), CdR 360/99 fin, COM-6/014²;

HAVING REGARD TO its Opinion on the Communication from the Commission "Acting Locally for Employment - a Local Dimension for the European Employment Strategy" (COM(2000)196 final), CdR 187/2000 fin, COM-6/021³;

HAVING REGARD TO its Opinion on the "Proposal for a Council Decision on guidelines for Member States' employment policies for the year 2001" (COM(2000) 548 final), 2000/0225 (CNS) and the "Proposal for a Decision of the European Parliament and of the Council on Community incentive measures in the field of employment" (COM(2000) 459 final, 2000/0195 (COD)), CdR 310/2000 fin, COM-6/026⁴;

HAVING REGARD TO its Opinion on the Communication from the Commission "Building an Inclusive Europe" (COM(2000) 79 final), CdR 84/2000 fin, COM-5/028⁵;

HAVING REGARD TO its Opinion on the Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions "Social Policy Agenda" (COM(2000) 379 final), CdR 300/2000 fin, COM-5/033⁶;

HAVING REGARD TO the Draft Supplementary Opinion (CdR 286/2001) prepared by Commission 5, rapporteur: **Mr Pella**, (I/EPP, Mayor of Valdengo and President of Biella Provincial Council);

HAVING REGARD TO the Draft Opinion (CdR 270/2001 rev. 1) unanimously adopted by Commission 6 on 28 September 2001, rapporteur: **Mrs Peiponen (FI/PES, Member of Varkaus City Council)**

at its 41st plenary session of 14/15 November 2001 (meeting of 14 November) adopted the following opinion unanimously:

The Committee of the Regions' views

1. Modernisation of the European social model

1. The Committee commends the Commission on its effort to incorporate quality considerations into economic, employment and social policies. This is important for improving people's quality of life. The Communication provides a useful basis for extensive further activity on quality of work. There has been a noticeable change in thinking away from a strict separation of social policy sectors, and the Committee hopes that this approach will be realised in practice. However, the communication fails to explain how the positive interplay between economic, employment and social policies will be guaranteed in practice. The emphasis is very much on the quality of employment and work and no consideration is given for instance to the quality of social services and other types of social protection.
2. It is appropriate to select the concept of quality as a way of linking economic, employment and social policies. Reconciling efficiency and cohesion requires that different policy areas be treated on an equal footing. Social values must also be taken into consideration alongside competition policy.
3. However, the Communication still reflects a view of social policy as subordinate to employment and economic policy. In order to effectively combat social exclusion it is

necessary to address the quality and recognition of low-skilled jobs, and to make broader use of social policy resources that increase social inclusion.

4. The Communication quite rightly draws attention to those modernisation processes that are already operational: the Luxembourg Process (employment measures), open coordination in relation to preventing social exclusion and to social protection, and improving equal opportunities as well as health and safety at work. It is particularly important that these processes be interlinked, so that the EU can achieve the objectives it has set itself.
5. Pressure to adjust and modernise also affects many services and staff of local and regional authorities. This is due, among other things, to service requirements created by ageing of the population, the need to put public finances on a sound footing, promotion of competition and opening up of markets for services. Quality considerations and quality policy are effective instruments for supporting the development of public services, employment and working life, as well as adjustment to changes. However, local and regional needs must always be taken into account, and therefore careful consideration must be given to what added value can be achieved here through strategies at European level.
6. The Committee agrees with the communication's evaluation of the impact and importance of social investment in relation to changes in work and the working environment. Particular attention should be paid here to marginalised groups. There should be investment in improving employability, which calls for a multisectoral approach. Equal opportunities in education is a key goal in trying to guarantee high-quality employment markets in respect of jobs and income.
7. The Committee believes it is important to improve quality in work locally and at the workplace, and to assess what added value can be achieved here through cooperation at European level. Quality in work and working life can be influenced above all by cooperation between the various players at the workplace and by local partnership. An important task of local and regional authorities is to create the framework for such cooperation.

2. Employment and social policies

1. The Committee of the Regions supports the intention to incorporate quality considerations into open coordination procedures for employment and social policies that already exist or are being developed, so that new processes do not have to be set up. It is particularly important to avoid duplication of effort and information-gathering.
2. Good economic performance is a precondition for developing quality in work. Economic and employment policy guidelines, the European social policy action programme and the programme to prevent exclusion are the key instruments that should be used to manage and monitor quality. These general programmes should be supplemented by special analyses and by support for the projects to enhance the quality of work and working life in businesses and workplaces.
3. Including social protection within the ambit of open coordination is positive as such, but this must not be allowed to stymie local initiatives or to increase centralisation, especially if this entails any reduction of efficacy or efficiency. The special quality reviews presented by the Commission are questionable from the point of view of national and local autonomy. In a Europe characterised by diversity it is not necessary to standardise national and local practices. The approach should be flexible and

historical and cultural differences should be respected. It therefore makes sense at European level to use a small number of clear and comparable indicators.

4. The communication gives an optimistic picture of general employment and social policies and their link with economic policy (and modernisation). This applies especially to precarious employment and less valued jobs and their prospects. Lifelong learning indicators in no way capture the situation of these particular problem groups. Certainly during this transition period existing vocational training or staff training indicators do not reveal the extent to which training and education measures reach the unemployed and socially excluded.
5. The Committee considers it important that social services be taken into account when assessing the quality of social policy.

3. **The concept of quality**

1. The Committee notes that the concept of quality is complex, which means that it must be developed carefully on the basis of research, so that useful national and organisational data on quality in work can be in future be gathered in a consistent way at European level.
2. The concept and interpretation of quality are culture-dependent, reflecting differences between workplaces and sectors as well as local and regional conditions. It must be recognised that creating a common position will be a long process.
3. An effort should be made to ensure that quality is defined as clearly as possible in the context of social and employment policies. This is the only way that we can be sure we are talking about the same thing at European level. The following problems and omissions can be identified in the quality concept presented by the communication:
4. The quality concept makes very little distinction between different levels (e.g. micro/macro). The same applies to quality of working life and quality of work. Quality of services is not mentioned at all in the communication.
5. The concept does not make a clear distinction between structural and subjective (experience-based) measures and indicators. However, this distinction should be clearly made because it is the only way of more precisely establishing at which level social policy measures (EU, national, local and regional or workplace) can be used to influence the situation.
6. The concept is so broad and general that it is hard to identify the link between a given social policy and indicators. In other words, there is no connection between cause and effect. The communication must therefore be worded more carefully to make these aspects clear.

4. **Indicators**

1. The indicators do not include any workplace-related structural factors. However, we know that quality of working life, job satisfaction, health at work and ultimately performance are affected precisely by structural factors. Such structural factors can be measured for example in terms of the possibilities people feel they have to influence their working conditions. Moreover, the indicators used to measure "Work organisation and work-life balance", for example, mainly show the structural opportunities available for workers to reconcile work and family life.

2. There is virtually no mention of people's subjective experience of the pressures of urgency and overtime in modern life and, for example, of children's quality of life.
3. A huge amount of information on European employment and social policies is currently being gathered. There is no reason to add to this red tape. There are too many indicators and it is difficult to interpret them consistently in different countries. For example, the arrangements for employment contracts are different in each country, and their impact on such crucial factors as availability of manpower, labour market flexibility and labour mobility are difficult to assess.
4. Extensive monitoring on the basis of indicators may at worst be counterproductive, because it gives the impression of a centralised European Union in which local, regional and grassroots concerns are not expressed.
5. The Committee of the Regions feels dubious about the development of indicators on pay. Pay is just one of many factors affecting quality in work, and not necessarily the most important. Correlating information on pay with disability or ethnic background means monitoring the people in question separately and is therefore questionable. Variations in pay due to differences in local and regional productivity and cost of living would also have to be taken into account.

5. **The role of local and regional authorities in quality policy**

1. The Committee agrees with the Commission's view that well-designed employment and social policies have a beneficial effect on economic and social development. Local and regional authorities have three roles to play in quality policy.
2. As employers, local and regional authorities promote quality in working life, take part in employment market activity and conclude collective agreements on the basis of national models.
3. In some countries, local and regional authorities have drawn up their own staff strategies as management and development tools. Staff strategies help municipal or regional authorities to achieve their strategic objectives. For instance, they may set out quantitative and structural objectives - as well as objectives relating to skills and welfare - for staff, taking into account the economic situation, practical measures, responsibilities and schedules. With a view to non-discrimination and above all to **equality**, which should be seen as one of the cardinal values enshrined in legislation, it would also be useful to find out how tried-and-tested quality strategies and their outcomes could be drawn on in the context of European cooperation.
4. The Committee of the Regions notes that performance and quality of working life are interdependent. Quality in work is an aspect and outcome of management method and part of the whole package of services. Modern management is strategic management of human resources. In labour-intensive sectors it is important to shift the emphasis in personnel policy to management of human resources, in which staff development, as well as participatory and interactive management, play a central role. This will enable organisations to respond more effectively to calls for change. Management of human resources also involves information management, where the emphasis is on learning and developing organisations. It should also be considered how to assess the effectiveness of management methods, which are crucial to quality in work, and how best practice can be transferred between equivalent organisations in member states.
5. Effective human resource management has been found to influence an organisation's

performance, quality of services and the well-being of employees. Thus in human resource management the focus is on reconciling activity-related decisions, strategic management and human resource management (SHRM = Strategic Human Resources Management). It is also very important that strategic decisions taken by policy-makers should be consistent with their human resource management.

6. The following factors can be considered in assessing performance: 1) staff ability, such as skills, innovative capacity, job satisfaction and motivation, and capacity to work; 2) extent to which services are (cost-)effective, adequate and sufficiently targeted; 3) quality of services and customer satisfaction, availability of services and cooperation between departments providing them; 4) productivity, cost-effectiveness and efficiency of service provision.
7. The modernisation of services provided by local and regional authorities has focused attention on the quality of public services.
8. Over the next few years public authorities will have to restructure services and working methods, while at the same time competing for new staff. It is important that quality in work and performance in service provision in local and regional authorities should be actively improved. European cooperation could play a greater role here, for example through staff exchange programmes and comparative studies. Well-designed measures to enhance working life will also make jobs in local and regional government more attractive, improve its image as an employer and boost job satisfaction.
9. It is right to link the quality concept to the broader process of modernisation. However, the communication does not mention the democratic aspect of modernisation that is so important from the point of view of local and regional government, and this aspect is also absent from the proposed indicators. Only local involvement can really act as a counterweight to globalisation and be the ultimate proving ground for its positive impact. The modernisation process and the new quality concept presuppose a new kind of democracy and participation: local democracy, consumer democracy, workplace democracy, where people have the opportunity to influence developments and a good quality of working life.
10. Services managed by local and regional authorities also affect quality in work and working life in other sectors.

6. The Committee of the Regions' recommendations

1. The Committee would stress that the quality review initiated by the communication is, at this stage, primarily concerned with setting out points of view and an approach to improving quality, as the Commission itself notes. It might be useful to divide the development work into stages in which previous choices are gradually complemented and revised. This would highlight the fact that quality policy and instruments are not complete and definitive, and that they serve and have to be applicable to different and changing practical needs. The emphasis must not be on collecting general indicators from member states but rather on what action can be taken within the European Union to bring about a real improvement in the quality of employment and social policies. The Committee recommends that the Commission's planned quality reviews be further assessed from the viewpoint of national, regional and local autonomy.
2. The Committee takes the view that the communication does not pay adequate attention to the role of social policy in promoting social inclusion and contributing to the quality of life and that this should therefore receive more attention in the future.

3. Attention also needs to be paid to quality in work in low-skilled jobs. The needs of problem groups (e.g. the long-term unemployed, the handicapped and the socially excluded) and their integration should be taken into consideration in assessing the quality and effectiveness of vocational and staff training.
4. The basic principles of the coherent quality-based approach to economic, employment and social policies to be developed by the Commission should also be reflected in goals pertaining to globalisation and related negotiations.
5. In the view of the Committee quality concepts and indicators should be focused clearly on structural factors that can be influenced by employment and social policies at European and national level. Quality indicators provide information on average performance in member states and are thus useful in the context of the European debate. But use of national indicators alone can give a wrong picture as they do not reveal important regional disparities within member states. The Committee would also point out that quality is a culture-dependent concept and that the choice of value indicators invariably involves value choices as well. These considerations must also be taken into account when interpreting monitoring data.
6. The Committee considers it important to distinguish between structural and experimental measures and indicators. It is important to develop information channels for gathering data on the views and experiences of employees and other people.
7. The Committee of the Regions would point out that regional development is the result of the interaction of several policies. It would also be important to analyse the effects of public sector activities and employment and social policies on regional development from the quality point of view and particularly the opportunities for promoting the development of regions that are lagging behind.
8. The quality and success of economic, employment and social policies must, in the final analysis, be assessed from the viewpoint of the vitality of localities and regions and the living conditions, quality of life and involvement of the people living there. It is essential that action be guided by local and regional conditions and needs. It would be better to promote development through assessments based on comparisons between similar localities, regions, jobs and service structures rather than through comparisons with general averages or European indicators.
9. Quality in work (and the quality of working life) ultimately take tangible form in the workplace. Quality in work indicators at regional, local and workplace level should be developed through cooperation between countries at local and regional level. This could, for example, take the form of regional pilot projects in different countries, which at the same time would allow development of common indicators and learning from good practice related to quality in work (opportunity for cooperation with pillar 3). One such project might be the current level of service provision for the elderly in an ageing Europe.
10. For several aspects of quality in work, analysis of the current situation at local level is essential. Provision of information on best practice and exchange of experiences gained with, for example, employment support programmes and flexible arrangements for employing physically or socially handicapped persons are particularly important for increasing social inclusion all over Europe.
11. Development of local and regional authorities' personnel strategies is important in efforts to meet the challenges that come with the modernisation process and an ageing

population and at the same time to improve performance and the quality of work and working life. These efforts could be supported by means of research, by disseminating information on best practice and by exchanging experiences.

Brussels, 14 November 2001.

The President

The Secretary-General

of the

of the

Committee of the Regions

Committee of the Regions

Jos Chabert

Vincenzo Falcone

¹ OJ C 51, 22.2.1999, p. 59

² OJ C 57, 29.2.2000, p. 17

³ OJ C 22, 24.1.2001, p. 13

⁴ OJ C 144, 16.5.2001, p. 30

⁵ OJ C 317, 6.11.2000, p. 47

⁶ OJ C 144, 16.5.2001, p. 55

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