



GROUPEMENT D'ÉTUDES ET DE RECHERCHES

NOTRE EUROPE

President : Jacques Delors

A REAPPRAISAL OF EUROPE'S SOCIAL MODEL

or

The Tale of the Chicken and the Pig

Seminar on trends in industrial relations in the countries of the European Union

(organised in collaboration with the
Luxembourg Institute of European and International Studies)

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Preface

On September 11th 1997, our Research and Policy Group, in partnership with the Luxembourg Institute of European and International Affairs, held its third seminar on a subject topical at both national and European levels.

It involved around thirty personalities - employers, trades unions, academics and politicians – reflecting on the evolution of industrial relations in the European Union, what some call social relations, or social dialogue; in other words, relations between unions, employers and the state in an ever-changing world.

How can the system of industrial relations help resolve today's economic and social problems ? What is the role of the social partners in dealing with employment ? What can we expect from a social dialogue and the beginnings of a system of industrial relations on a European scale ? Such were the main questions addressed.

The debate, opened by the Dutch Minister for Social Affairs and Employment, Mr. Melkert, and concluded by the Prime Minister of the Grand Duchy of Luxembourg, Mr. Juncker, was also dominated by the prospect of the European Summit on Employment of this November. Perhaps this abridged verbatim report of the proceedings will be able to make a modest contribution to the preparations.

Beyond this event, it is necessary to continue to reflect on this subject so central to the future of the 'European social model'.

Jacques Delors
November 1997

Contents

<i>Introduction</i>	<i>p. 4</i>
<i>Chapter 1 – Diversity</i>	<i>p. 9</i>
<i>Chapter 2 – Change</i>	<i>p. 15</i>
<i>Chapter 3 - Europe and Employment</i>	<i>p. 21</i>
<i>Conclusion</i>	<i>p. 26</i>
 <i>Appendices</i>	
<i>1. List of participants</i>	<i>p. 28</i>
<i>2. Introductory note to the seminar</i>	<i>p. 29</i>
<i>3. Presentation by Mr. Ad Melkert, Minister for Social Affairs and Employment, The Netherlands</i>	<i>p. 38</i>
<i>4. Address to the public session by Jacques Delors</i>	<i>p. 42</i>
<i>5. Speech by Mr. Jean-Claude Juncker, Prime Minister of the Grand Duchy of Luxembourg</i>	<i>p. 49</i>

Introduction

Do you know the story of the chicken that met a pig and, looking him in the eyes, said "Do you know that you and I could do great things together?" "Ah", replied the pig, who hadn't given the matter any thought, "so tell me why". "All right", said the chicken, "Bacon and eggs, for instance". "Yes", replied the pig. Not till he got home did he grasp, just a little too late, that he was fated to end in rashers.

This fable could serve as a sign to be hung over all studies on industrial relations. For the Italian trade unionist Sergio d'Antoni, who told it to the Luxembourg seminar, the morality was clear: employers and unions will do great things together, provided they realise theirs must be a mutually fruitful exchange.

Thirty experts on industrial relations – representing not only employers and trade unions, but also sociologists, political scientists, lawyers and politicians¹ – attended this seminar on September 11, 1997, to discuss trends in industrial relations in the European Union, at the invitation of the association "Notre Europe" chaired by Jacques Delors, and the Luxembourg Institute for European and International Studies.

Singular Europe

The introductory note² emphasised the singular nature of the relations between employers and workers that evolved in Europe in the 19th and 20th centuries, "mid-way between American individualism and Japanese community collectivism". It presented these as a model having many variants, depending on the role of the state, the flexibility of the labour market, and union membership rates, which vary from one country to another and from one period of time to another.

The note raised the question: are we moving toward greater homogeneity or, on the contrary, with the weakening of centralised forms of government and the emergence of local bargaining structures, are we moving toward a sharpening of national and regional differences? It pointed out these contradictory trends but, in its analysis of most recent developments, it emphasised signs of convergence, i.e. the decentralisation of collective bargaining, the diminished influence of the social partners (trade unions and employers organisations), and the general breakdown of employment conditions.

It noted, finally, that "the fragmentation of the status of salaried employee into a diversity of statuses in each particular sector, firm, or occupation, is not taking place uniformly and is creating a division between two categories of worker: those who enjoy a conventional status enriched by collective agreements, and those who are not covered by these agreements and are increasingly subject to the legal minimum social standards".

Between two summits

Nowadays, any reflection on our systems of industrial relations is an invitation to delve into the contemporary history of our societies, in which the politics of the welfare state are woven into the fabric of the economy and social policy. In Luxembourg, the invitation to do so was all the more pressing in that the European calendar had fortuitously placed the seminar and its participants in the spotlight between two summits: namely the Amsterdam summit, where the heads of state and government had tackled social issues in June, and the special summit devoted to employment convened in November, also in Luxembourg.

The organisation of this seminar was accordingly adjusted, and the proceedings culminated in the late-afternoon in a public session in which Jacques Delors drew the initial lessons from the seminar, and

¹ See list of participants in Appendix 1.

² See the full text of this note in Appendix 2.

the Luxembourg Prime Minister, Jean-Claude Juncker³, current president of the European Union, explained what he expected the jobs summit to achieve, before an audience of ministers and ambassadors, which notably included the Belgian Prime Minister Jean-Luc Dehaene.

Caught between the hammer of the headlines and the anvil of detached reflection, untroubled by the contingencies of the moment, the participants overlooked certain questions that deserved an airing, in favour of recommendations and considerations regarding the chances of success or failure of the forthcoming jobs summit. Delors himself pointed this out, regretting that subjects such as the weakening of the right to work under pressure of trends in employment conditions the deficit in co-operation among Europeans, or again the legal difficulties of formulating a European company statute, had been overlooked. He also regretted that the question of the representative nature of professional bodies had not been broached until the end of the colloquium, when Norbert von Kunitzki, chairman of the board of SIDMAR, spoke, but this issue had not otherwise been discussed.

The past is now behind us

According to Norbert von Kunitzki, it is time to ask whether the traditional techniques of industrial relations, and tripartite consultation in particular, do not belong "to the past", given the diminished representativeness of both employers' bodies and trade unions.

Formerly, he notes, the economy was dominated by large firms where 80 percent of workers were employees, 80 percent of whom belonged to trade unions. This is now no longer the case, and unrepresented categories are increasingly important. On the other hand, can we continue to acknowledge large firms' power of co-decision in their country of origin when everyone knows they are more concerned about investing in China, India, or Southeast Asia. Kunitzki cites the case of Belgium where, whenever there is a decision to be taken, the social partners duck out and leave the responsibility for deciding with the government.

They used to be so in love

Whatever its disruptive impact, the pressure of events in the news did have the advantage of putting everyone in the same boat. Participants had the benefit of hearing Delors describe his experience of European Council meetings, an exercise whose limitations are well known to the former president of the European Commission.

Prime Minister Juncker used the occasion to test his idea of extending the Maastricht criteria method to social policy, until now confined to economic and monetary matters. That was the message he left with participants at the end of the day.

"These convergence criteria", he said, "have not made Europe popular, but they have allowed us to set in motion a dynamic that has gone further than expected... and to achieve remarkable progress in terms of economic convergence". Without the Maastricht Treaty, he insisted, there would have been more inflation, higher interest rates, and public deficits would have ballooned far more than those we are now experiencing.

What Juncker proposed is to copy the method implied by the criteria and to adapt them to social policy: "give us a few broad policy lines", he said, "and let's try to formulate them so that we can

³ See full text of these two speeches in Appendices 4 and 5.

quantify them, and then let's arrange things so that we are obliged to verify their application periodically, year by year. Let's make the European Council, Ecofin, the Council of Ministers of Employment and Social Affairs, review the broad policy lines we set ourselves at the special summit for employment, and let's include these guidelines, their criteria, their objectives, and their final aims, into our broad economic policies.

We must enrich our European economic thinking by including the social minimum Europe so cruelly needs. We must try to re-marry economic with social considerations now they have fallen out of love with each other, after having been so in love over the past decades".

The ideal formula

From the outset of the seminar, the Dutch Minister for Social Affairs and Employment, Ad Melkert, whom Delors had asked to be the keynote speaker, set the tone by referring to the "Amsterdam mandate" and to a "convergence of social policies" which, in his view, "demands similar viewpoints on the role of the social partners".

For Melkert⁴, Europe needs social stability as much as it needs monetary stability. He can see this Europe in action, but where it is it heading? Institutions cannot do everything, he observed: "they would not be able to institute effective economic and social co-operation single-handed. The involvement of employers and workers is a *sine qua non* if we are to achieve this aim".

The role of the social partners is essential, he said, and the Dutch experience – in which wage restraint was exchanged for job creation and the redistribution of work – is there to prove it. "Building a healthy Europe", he said, "demands the concerted efforts of enlightened employers, non-conformist union leaders, and politicians capable of innovating".

The formula hit home, and several speakers made it their own. In particular, the French unionist Jean-François Trogrlic, who made his own addition when he said that one can find solutions in order to create jobs, provided the employers "emerge somewhat from their obscurantism", that the unions "agree to broaden their remit and their prerogatives to include people not now in work", and that the state "does not content itself with thinking that, once it has a political majority, it can impose a new social definition without further ado".

Europe's "plus"

Melkert is convinced that employment policy is first and foremost a question of national policy, but he did not underestimate the "plus" that the Union could contribute by, among others, proposing indicators:

- indicators of trends based on the instruments used to measure monetary and economic performance, in order to appreciate progress made by Member states in creating jobs,
- other indicators to test the efficacy of vocational training, the impact of incentives to innovate, or again the changing relationship between the number of recipients of benefits or pension, and the number of people in work.

As for the jobs summit, Melkert considered that it should "set the ball rolling and act as a catalyst for reform in industrial relations in Europe". It will be necessary to abandon the outdated forms which still exist in certain states, he asserted, referring explicitly to France, Germany and Great Britain, deploring their paralysing effects on job creation and regretting that these rigidities "considerably hamper the chances of success of the Amsterdam mandate".

Chaired by Delors, the seminar looked at three issues in turn, with discussions being preceded by one or more brief presentation for each topic:

⁴ See full text of remarks in appendix 3.

- How can the system of industrial relations help solve today's economic and social problems? -- with an introduction by Ad Melkert, whose main points are summarised above.
- The social partners and employment, with three presentations by Dan McAuley (former member of UNICE), Antonio Castellano (president of the CEEP), and Emilio Gabaglio (Secretary-General of the CES).
- What can we expect from social dialogue and the beginnings of a system of industrial relations at the European level? - introduction by Patrick Venturini (adviser to DG 5 at the European Commission).

In order to report on these presentations, to respect the spontaneity of the exchanges of view, and sum up the comments and suggestions made as un-arbitrarily as possible, we have grouped together the various statements and comments made under three chapter headings covering three key ideas, namely Diversity, Change, Europe and Employment.

I – DIVERSITY

Not a single European colloquium takes place without extolling the diversity of Europe, its landscape, its climate, peoples and nations, its languages and its cultures, its societies and its laws. The Luxembourg seminar was no exception. In this register, the loudest voices generally came from the North and from the chorus of employers, who naturally slipped from diversity to diversification, and from that to decentralisation, and then on to deregulation.

As a counterpoint, voices in favour of harmonisation and common policies tended to come from the South, and for the most part from trades unions.

From Scandinavia to Germany

"There is a huge diversity of tradition within Europe, and a huge diversity of ways of tackling problems also", said Kirsten Ahlström, an industrialist from Finland with factories scattered more or less all over Europe and elsewhere in the world. "So we can't imagine", he said, "that the same type of regulation or even model could be applied equally optimally in Scandinavia and in the southern part of the continent".

Germany's Gerhard Wolf, a board member of BASF, made an identical observation. This chemical giant has instituted a "Euro dialogue" in recent years, via a forum where employees and management representatives can discuss and exchange information about the company's needs and working conditions in its various locations.

"From one country to another", notes Wolf, the interests of works councils are extremely diversified. Their cultural backgrounds of different, with widely varying factors of competitiveness; wage-related charges in Portugal, for example, are very low in comparison with our purely German units".

"So we have anything but a homogeneous European entity", he continued. "This is the reality which will endure for years to come, and which it is important to bear in mind. One must accept that there is competition between establishments, depending on regions, countries, and even between different locations".

Completing this inventory of Europe's mosaic, Dan McAuley of Ireland, a former member of UNICE, commented that the changes that had occurred in industrial relations over the past 15 years or so had not simplified matters, since they had gone in different and sometimes opposing directions: pursuing the same objective, Sweden had decentralised its bargaining, while Ireland had tended rather to centralise it.

From these observations and experiences, businessmen drew a number of lessons as regards the level and appropriateness of governmental intervention. Their conclusions all the point more or less in the same direction. They do not want obligations of one kind or another to be imposed on them from above when these run counter to local market realities and are thus liable to impede the development of the economy as they conceive it. They view state intervention with suspicion when not confined to ensuring free competition, and they make no secret of their scepticism over the purported advantages of raising the treatment of social questions and employment policy to the European level. This will become even clearer in the next chapter.

The virtues of autonomy

"Employment policy and employment itself", says Wolf, "are tasks for the national level, because it is there that one can really reflect and identify competitive factors and their relative strengths. This is a task that concerns the firm, its employees and its trade union representatives. The two parties must commit themselves to achieving a common objective and, where our group is concerned, we have an understanding of our own which takes all of the actors into account, all those who are involved in the

challenge".

- Is it right to speak of the role of the state? When Wolf hears that the state ought to fill in the gaps, build bridges and create conditions for economic growth, he listens attentively. He is not against this if it means encouraging innovation and speeding up the adjustments essential to the success of the firm and to economic progress in general.

Melkert said he entirely agreed with him in saying that wage and industrial bargaining conditions at present, and for another 10 years, are far from similar, and that he would not recommend an Italian option to his fellow countrymen, any more than he would invite the Italians to imitate certain Dutch practices.

"The important thing", he insists, "is that we are trying to make a political effort to define a common objective" and he welcomed the fact that certain countries such as Denmark or Spain – which would have been unthinkable even five years ago – are now moving in the same direction as the Netherlands in terms of flexibility and security. By similar policies, he meant that these countries are heading "along the same track and in the same direction".

A call to laggards

On this point, Melkert returned to the cases of France, Great Britain and Germany, to which he had referred in his introductory remarks, saying they ought to be the "leaders in the debate, but that they were still in a state of uncertainty for want of internal agreement on this common policy".

"A discussion like the one we are having today", he explained, "ought also to serve as an occasion to send out a call to the social partners in these three countries, urging them to reflect and come to an arrangement". Having said that, he disagreed that he was "over-pessimistic" for, as he pointed out, "political changes are in progress in France and Great Britain and will also take place, in one form or another, in Germany". However, he deplored the fact that "these developments are taking place more slowly than they ought, given the millions of jobless in Europe".

The expression "European harmonisation", so in vogue in the early-1980s, has practically vanished from our vocabulary. McAuley was delighted at the fact: "We have woken up to the difficulties that this entails", he said, before noting that people now prefer to speak of "convergence", a concept he believed more useful for everyone involved in practical industrial relations.

Harmonisation or convergence, at any rate not everyone is frightened at the idea of general regulation. One such person is Emilio Gabaglio, Secretary-General of the CES, who considers one cannot confine one's thinking to the national dimension.

"Common policy guidelines: does that mean ignoring the diversity of Europe? Quite the reverse, he exclaimed with characteristic Mediterranean verve. What we want is to set a broad policy direction, with a series of principles, and then leave the social partners to make the appropriate arrangements within their respective national, or indeed regional, areas – if necessary at the level of each sector or even firm. But there can only be one way forward".

"If, alongside an integrated economic area, we want to have a comparable social area", Gabaglio continued, stressing the word comparable, "then we must set a threshold of general policy directions and social regulation at the European level and then, at the other levels, leave the social actors to find their place within this dynamic. This is a question of getting the internal market to work properly, since we need to avoid all kinds of distortion and social dumping. That's the real approach of the future".

Stuck in a historical rut

This recurred as a leitmotiv in the remarks of several speakers. In particular those of Delors, despite his conviction that employment policies are primarily a matter of national competence. But he nevertheless pointed out that the "deepening of the internal market and economic and monetary union do pose problems of unfair competition for our firms, forcing us to ponder these questions".

"There comes a time", said Delors, "when economic integration reaches the point where it raises social problems, particularly in industrial relations, and this ubiquity of Europe in people's everyday lives raises the issue of a political Europe".

And he added: "in raising these issues in my former position, as today, it was never my intention to turn my back on the principle of subsidiarity", before going on to note: "we have different histories and very diverse situations, but where does Europe stand, and where is it heading?" He sent out a wake-up call, pleading for "everyone, in his or her sphere of responsibility, to endeavour to extricate Europe from the historical rut it is falling into, in the economic, social and political spheres, if it continues on its present course".

De facto solidarities

"Everyone is proud of Europe's diversity", said Patrick Venturini. But he refuses to see this as an obstacle on the road to Union.

-1/ Because this diversity is not a permanent condition: "If we agree in saying that we are on a learning curve", he said, "we must agree that this de facto diversity is diminishing".

-2/ Because it doesn't prevent us from having what Robert Schumann called "de facto solidarities", in other words subjects of common interest. Even so, we must identify those subjects. "We are doing that in foreign policy and common security policy", he pointed out, "and we have long done so in the field of social dialogue".

From the standpoint of the future enlargement, Venturini expressed his fears that social dialogue would suffer from the arrival of central and eastern European countries. That is because, in his view, their expertise and traditions are not the same as ours; trade unionism, long associated with the defunct regimes, is now discredited there; and finally, because the governments there are hostile to the idea of the social partners being autonomous, preferring a tripartite approach.

Venturini is one of those who think that economic and monetary union will give a powerful boost to integration, and that it will entail an additional demand for social regulation. For psychological reasons, he believes, the introduction of the single currency will very likely spark keen interest in the issue of pay, in European group works councils, and the time seems ripe to update the studies on the social dimension of the internal market launched by Delors ten years ago.

Once monetary union is in place, there will be a greater need to align pay policies with fiscal or monetary policies, and the key point will be to co-ordinate these policies, considered Professor Franz Traxler of Vienna. "With that in view, it is misleading to set up an opposition between centralisation and decentralisation, regulation and deregulation, "refusing to consider these as being in conflict. Some tasks reasonably need to be regulated at the central level, when this concerns broad agreements; but others are a matter for decentralised decisions to be taken at a lower level".

"One should be careful not to throw out the baby with the bath water by asserting that deregulation is necessary across the board", adds Traxler. The point is to strike the right balance between regulation and deregulation, between centralisation and decentralisation. Regardless of the level at which the rule is laid down, the main thing is that it should always be consistent with the other levels, above and below".

A Belgian story

"Unchecked deregulation is not part of our culture or our practice", noted Davignon, observing that none of the speakers had contested the need for bargaining. "To imagine that deregulation allows one to dispense with bargaining is to imagine we're living in another world", he said, before going on to point out, however, that within the sphere of regulation cultural differences are significant, and that the word does not mean the same thing to all people. In Belgium, people understand it to mean that everything that is not forbidden is permitted, whereas in other countries it's everything that isn't permitted is prohibited".

The time factor

Once consequence of globalisation and the accelerating pace of technical progress is that time is not what it used to be. It is galloping ahead ever faster, and ever more irremediably.

Riccardo Perissich, who, after years with the European Commission, is now on the board of Pirelli, was the first to sound the alarm: in the United Kingdom and the Netherlands, he said, the two European economic success stories of the decade, it took nearly ten years for the policies adopted to prove themselves. But today, countries that have not embarked on a process of change do not have ten years to spare in which to achieve results. And yet the social actors continue to imagine there's nothing to lose in dragging out negotiations, and that everyone else will wait for them.

Pirelli had experience of this on the occasion of negotiations in its German and Italian plants, which lasted nearly a year. "The agreements we reached were good", said Perissich, "but because, under pressure of events, we were obliged to source our factories from outside, they turned out to be useless in part".

It's important to think ahead: that was also Davignon's view. It's during the boom years that one should be thinking about the lean years, so as to use this room for manoeuvre to make those adjustments that will prove to be absolutely vital a little further down the road. The important thing, he said, is to have the capacity to trigger the warning lights, to challenge the irresponsibility of the manager who allows a year to slip by because everything's fine right now and the profits are rolling in, but who later finds himself in an all-or-nothing situation with 100,000 vehicles on his hands, for example, and an empty order book.

"Doesn't one of the Germany economy's present difficulties stem from the fact that it went on believing – longer than others – itself to be invincible, and that it failed to prepare its various players to accept change. Why do anything since German products were the best and were selling well everywhere?"

"Isn't that what's lacking in our industrial relations?" Davignon went on, "i.e. the capacity to agree on an agenda that combines analysis with action, for you only have room for manoeuvre if you make use of it while your actions still have time to influence the future situation".

II – CHANGE

How are we to modernise our industrial relations? They form the core of Europe's social heritage, yet the winds of globalisation are putting them under increasing strain. But above all, how can we change and yet remain true to ourselves? Introduced by Ad Melkert, for whom the ideologies of yesterday are an obstacle to the pragmatism of today, this theme was taken up by a great many speakers.

The pot and the kettle

"Everyone wants everyone else to change, naturally, and calls for this change, but nobody tries to change his own outlook", observed Sergio d'Antoni, Secretary-General of the CISL. He was backed up in this by Etienne Davignon, Chairman of Société Générale de Belgique – he jokingly admitted he was never short of ideas on what others should do, but was far more hesitant and confused about his own role.

So change is a question of mentality, and the first need is to take aim at the way we think. But the practice and the very aims of industrial relations are concerned too. Referring to the Dutch experience of the last fifteen years, Jelle Visser, a professor from Amsterdam, pointed out that what is at stake is well and truly:

1. the capacity of the social partners to negotiate an agreement that comprises both job creation and pay restraint,
2. changing welfare systems, which were created at a time when work was different from what it is today, and which are now burdened by an ageing population. Reforming this is a political hot potato, as everyone knows, but it is easier to gain acceptance for it – as we have seen in the Netherlands – if one can show that jobs will be created because, as Visser put it, "then you can see the light at the end of the tunnel".

D'Antoni said the same thing when he stated: "people only accept change when they can see a prospect of improvement". One cannot confine oneself, he went on, to telling people they've got to work till they're 70 if they want to receive a pension, that there won't be any job continuity, and that they are going to have to change jobs ten times during their career, when they can't even be sure of finding a first job and their children are going to be worse off than they are".

He accepted the "challenge of flexibility", but on condition that it opened up new prospects. He referred to what had begun to change in Italy in 1992-93, but demanded that further progress be made in terms of consultation and modernisation of the "contractual" system.

He even spoke of "changing capitalism", or at any rate "better defining the role of capitalists", and he proposed that "progress be made in the direction of giving workers a greater share in venture capital, not on an individual basis, but on a collective basis, so as to change the structure itself".

Flexibility Security

D'Antoni later returned to the theme, stating that change was within our grasp: "It is, as it were, a question of exchanging powers in order to have participatory trade union relations that are capable of responding to major developments in a timely fashion". He too called for some illumination. "There can be change", he asserted, "if the goal is jobs, if the goal is development".

With or without light at the end of the tunnel, the speakers emphasised the flexibility-security dialectic. "To have movement, to have flexibility, you need elements of security", said Marie-Thérèse Join-Lambert, a General Inspector of Social Affairs in Paris, "every educator knows that. You can't develop children's drive and vitality without giving them a minimum of inner security".

Mrs. Join-Lambert was not against change, but she noted in passing that "industrial relations do not signify the end of conflict; they have developed on the basis of acknowledged, controlled, negotiated

conflict". She would like the Luxembourg summit to serve as an occasion for "redefining" this security. She proposed to work towards closing the gap between the guarantees one can offer self-employed workers and those generally enjoyed by salaried employees, and to seek elements of flexibility throughout people's working lives, in a form wrongly, she said, and from a highly-debatable angle, known as an "activity contract".

For Harald Schartau, an IG-Metall official from Rhine-North Westphalia, "It's not a question of saying *yes* or *no* to flexibility, nor of focusing exclusively on determining workers' capacity to work longer or shorter hours or to adapt to production conditions; it's also a question of guaranteeing clarity, which is something all employees need".

"Incomes", he added, "must be clearly defined, and the worker must know how much latitude he has, within that flexibility, with respect to the amount of time he works. Also, he must be in a position to influence the structure and configuration of his work. Where flexibility is concerned, we would be on the right track if we were to seek a compromise aimed at matching working hours as nearly as possible to production".

"Changing the realities of work is surely the central question facing all those concerned with industrial relations and labour legislation", observed Delors in his closing address.

He too referred to the "activity contract" that some people have suggested as a means of protection during a person's "working life", to enable everyone to go on enjoying the benefits of social security and accumulate entitlements, regardless of the posture they find themselves in – undergoing training, working for a voluntary association, or any other atypical situation".

The example of the jellyfish

Over the last ten years, the emphasis has been more on flexibility than on security, noted Richard Hyman, of Great Britain, who teaches industrial relations at the University of Warwick. He noted that the change of government in his country had not altered much, and that the jellyfish, a champion when it came to flexibility, could scarcely serve as a model for the European labour market.

"One needs to have stable points of reference and a certain foundation of security in order to be able to innovate and take risks in other spheres", he said. If one demolishes the old market forms and their rigidity, the key question is to know what one is going to put in their place in order to achieve greater labour market flexibility. If one thinks the old idea of a job for life is outdated, then one must see how one can put in place a structure that creates both job opportunities and confidence in the future".

Hyman considered that one cannot dispense with governments in creating these "structures of opportunity". "The sphere of labour relations cannot be treated as autonomous, since it is increasingly bound up with public health and general policy", added Hyman, before concluding: "The link between labour policy, industrial policy and social policy is at the heart of the creation of a European market combining flexibility with security".

A question of confidence

Davignon, meanwhile, does not like the word "security". First, he explained, because "legal security is now no longer meaningful when it comes up against the reality of what we actually can do". But also because, the debate over the trade-off between security and flexibility inevitably veers into ideology, whereas we need both.

On the other hand, he does favour "creating a situation where there is sufficient confidence for people to adopt behaviour that differs from traditional behaviour, but which is based on more than just fine words". He said that doing nothing is always worse than doing something, and considered that the conditions for movement are present when the conviction takes shape that the status quo is no longer

tenable, even if we are almost physically attached to it, because, as he put it "we know what we've got, but we don't know what we'll get".

Recalling how the recommendations of the European Coal and Steel Community consultative committee had, despite its cumbersomeness, influenced national decisions, Davignon would gladly utilise the European context to stimulate this confidence-building process, and he approved the idea of key indicators advanced by Melkert.

In his view, experiments in each country should be made widely known, provided they are of sufficient duration for lessons to be drawn from them. The Commission can help to ensure that the resulting picture is not skewed; given that member states question union leaders and business people, they should say what they have found in their own countries.

"If one wants to breed confidence, there is a need for visibility in the things that change, otherwise we will have no support on either side to bring it about", he said, emphasising that the European dimension contributes to this visibility and helps the state and social partners to change laws and regulations impeding progress, whenever necessary.

Ingrid Ohlsson, chair of the Swedish OTC, asked nothing more than to break out of the flexibility-security trap. Even so, to persuade those concerned to agree to the changes that flexibility implies, their needs must be explicitly acknowledged. She thought that it was by stimulating a desire for co-operation among the partners that this could be achieved. With the dramatic change experienced by Sweden in the '70s and '80s, a very powerful system of centralised co-operation collapsed, and employers imposed a new, decentralised model, bargaining with their partners at the local level. Have they succeeded in establishing sufficiently effective forms of co-operation at this level? Mrs. Ohlsson's interest in the experiences of Denmark and the Netherlands, which have pointed in another direction, seemed to suggest she was not fully convinced.

Athenian discernment

A former European commissioner for social affairs and now a minister in the Greek government, Vasso Papandreou called for greater discernment. She proposed to treat each sector of the labour market in accordance with its specific conditions, i.e. depending on the degree of rigidity or flexibility she found there:

- in the public sector, where there is no external flexibility and only random internal flexibility, she said we need greater flexibility and part-time recruitment,
- in the private sector, where firms are free to hire and fire, what's lacking most is internal flexibility,
- in that part of the market where small and medium-sized businesses make abundant use of (often illegal) immigrant labour, "where there are neither rules, nor security, nor quality of life, it's their external flexibility that needs to be diminished, if only because it has a very negative impact on the labour market as a whole", said Mrs. Papandreou. She feared that, in a few years' time, we would have a labour market in which the highly-qualified sector would have a great deal of flexibility, while the greater part of the market would be dominated by uncertainty, because the criteria for hiring will be the ability not just to read and write, but also to use a computer and to work with high technology".

But how to convince the people concerned of the need to accept change and, if possible, as Jan Timmer, the former Chairman of Philips, put it, "pass through the Caudine Forks of suffering" before things improve?

- Of course, there is the "best practice" method: there's no better way than to show that others have already done something positive and achieved results. "It's more important", said Timmer, "than fine theories. Some case-studies could be presented by people capable of explaining what they are doing, and how they are doing it – and not just fine success stories, but also their mistakes. That would be enlightening for a great many of us..".

Champions of change

The difficulty, observed Timmer, is that there is no direct correlation between modernisation and the level of employment. "In fact the reverse is rather the case, because one often loses more jobs than one creates". He considered it all the more necessary to market change, by finding men and women capable of acting as the champions or heralds of change. He proposed looking for them in the unions, employers' organisations, and governments. "You don't need them in their thousands", he believed. "Even in a country like Italy, the efforts of a dozen enlightened people who agree on what is important for their country, could be crowned with success".

And, he added, "it's not reports or regulations that get things moving forward – that's just paper people can ignore. Change is brought about by people. It is the men and women who believe in something, who share an idea and who bring it to fruition. It can be difficult, because the views they must express will not necessarily make them popular, even in their own sphere and in their own circles".

Without a system of labour relations based on consultation, it is hard to see how one can achieve any change whatever.

Everyone agreed with that. This superiority of a system based on consultation comes with two caveats, however, remarked Perissich. Consultation is an alternative to conflict, but it does not preclude it, he said, recalling that the social progress made in Italy, to which d'Antoni had referred, had occurred on the back of two violent conflicts, one concerning the index-linkage of wages at Fiat in the 1980s, and the one concerning the government's economic policy reversal in the early '90s.

For Perissich, moreover, consultation is merely one method, and in no case is it a policy or an end in itself. "No consultation", he said, can bring us to agree on objectives if we don't agree on them in advance. The remarkable effort made in the Netherlands would have come to nothing if the actors hadn't agreed from the outset on a certain number of fundamental objectives".

Poorer each day

"So", he asked, "if that isn't the method, what can get us to agree on objectives?" For him, there's only one response: the impoverishment of our economies and our continent. "For several years", he said, "Europe has been growing half as fast as a large part of the world, and for a long time at a third of the rate of the United States. If this had been an old phenomenon, we could live with it. But that isn't so. Europe's position in the world economy hasn't changed much in the course of the 20th century. Only in the last ten years has it begun to deteriorate durably. Each day that goes by without our agreeing on objectives makes us poorer. Only an awareness of this reality can shake us out of this".

The Dutch example

"We were on the brink of crisis: plants and company closures and redundancies foreshadowed disastrous consequences for the economy. Employers and unions realised that in sticking to their traditional, rigid positions, they were at a dead end. In 1982 they signed an agreement providing for wage restraint in return for the creation and redistribution of jobs. The government backed this general line – from which the country has not budged since – with tight fiscal discipline and cuts in charges".

Thus the Dutch minister Ad Melkert described the situation in the Netherlands at the beginning of the '80s and the Wassenaar agreement which triggered the economic recovery. The Dutch themselves are reluctant to present their experience as a model. Out of modesty, said Delors, who had never heard a single one of their ministers boasting of these results in the Council of Ministers.

Out of a sense of reality, observed Jan Timmer, who saw this "more as a practice, a way of doing things". "Dutch society is egalitarian, where contacts between unionists, ministers, representatives of the government and the employers are free and easy. I had personal experience of this when I had to announce 15,000 job cuts in the Netherlands as part of our European restructuring. I came bearing very bad news, but we were able to discuss things very constructively together. If proof were required that the model works, that was it. I must pay tribute to our partners. But one should take care not to transpose this model unaltered to other societies where labour relations are different, and where one needs to proceed far more cautiously".

III – Europe and Employment

How does one develop an active labour market policy? How does one boost the efficiency of job centres or labour exchanges and encourage employers to create new jobs? Right from start of the seminar, Jelle Visser asked these questions, emphasising that these are priorities. For many speakers, as we have seen, the future of industrial relations will depend on the capacity of the social partners to negotiate about jobs themselves, even more so than about pay or other working conditions.

In this search for an effective labour policy, what ought to be the respective roles of states and the European institutions, and what can we expect the special Luxembourg summit to achieve? On all these questions, we encounter once again the divergences already noted between employers and employees, between southern Europe and the North.

Create or destroy

One needs to be careful, said McAuley, "it is companies and individuals who supply labour and create jobs. That is a limiting factor in terms of what we can expect from the European level". Not only does Europe not create jobs, he asserted, but it can destroy them by introducing over-restrictive legislation that adds to the costs that companies must bear in coping with competition.

He did, however, recognise that Europe has achieved positive results in its interventions on the labour market, as, for example, through the structural funds. "Coming from a country (Ireland) that has benefited greatly from this intervention, that does seem to me to be an area worth considering".

On the employers' side, Wolf had noted that the Commission's role is to benchmark, by setting indicators signalling where the common objective lies, serving as a sounding board for positive experiences in the various countries, and by bringing what is known in the jargon as best practice to wider notice.

Timmer in turn argued in favour of not setting over-ambitious targets at the European level. "The jobs summit", he said, "could be useful if it is transparent and provided it does not confine itself to addressing only the people present".

"I am a convinced European, but I am highly conscious of the diversity of Europe", he continued. The problems can only be dealt with in a decentralised manner. Even at the national level, this is difficult, for at the lower echelons the people concerned themselves must be convinced of the necessity of change".

"We must not underestimate the importance of competition between people within the different companies", he went on, "and we must not expect those whose jobs are at stake to see things objectively when it is a question of deciding which company to shut down and where, in Portugal or in Belgium".

The hard core sceptics

Even more negative were the comments of Perissich, who was combative in his scepticism: he claimed that, contrary to the logical mechanism of the single market and the single currency, which have helped speed the liberalisation of trade already in progress, the European dimension is adding nothing to the process of social adjustment. "Instead of removing rigidities from this process", he said, "the European dimension has added some of its own. Europe has still not succeeded in demonstrating that it can effectively accelerate and facilitate changes whose necessity we are now starting to agree on in our countries".

"As long as this has not been demonstrated", he insisted, "European dialogue will focus on secondary issues or will remain very bureaucratic". He added, by way of conclusion, "There's no point in saying

that the single market needs tax harmonisation in order to eliminate distortions. The main problem isn't that; it's that the tax burden in continental Europe is too high. There is a difference of about ten points between the United States and ourselves. If harmonisation is not part of a drive to cut the tax burden, particularly on production and labour, it will never amount to any more than a series of abstract visions, and Europe will contribute not added value, but one more procedure".

Perissich considered that the jobs summit should not have been convened, because its failure – which he expected and feared – "would strengthen the conviction, in broad sectors of opinion, that Europe, as it prepares for the single currency, is preparing something that runs counter to employment".

"Now that the summit is going to take place", he went on, "we must extricate ourselves from this trap". To do that, Perissich proposed a handful of recipes: that the heads of government convey to the public a sense of urgency, then that they make clear that nothing is irreversible, and that we are not tied to a process of historical decline. That is the value of the benchmarking and best practices which others had spoken about before him. "Haven't the United Kingdom and the Netherlands turned around situations that were considered desperate? And isn't that proof that there is nothing ineluctable in the European disease?"

"If the jobs summit does succeed in conveying that kind of message", he continued, "it will not help to create jobs, but it will succeed in giving the impression that the single currency is not necessarily an end in itself, and above all that it is not a negative operation from the standpoint of economic development and jobs".

Can the summit confine itself to offering a catalogue of best practices, with the most interesting experiences in terms of job creation? asked MEP Ben Fayot. He called on the heads of state and government to examine in particular the regulation of atypical work and lifelong training.

On the other side of the barrier, on the trade union side, Trogrlic – referring implicitly to the current French situation – thought that the state should play a "powerful supervisory role" and that the European summit could act positively: "if we are concerned not only with protecting those now in jobs, he said, but with employment in general, then it is up to the state to say what objectives it wants to achieve and the time-frame it has in mind. But then it should leave implementation up to the social partners".

Trogrlic proposed that the risks connected with mobility should no longer be treated as an accident, whose effects can be remedied by means of exceptional measures, but as a permanent factor of insecurity. "This calls for an additional effort, and any impetus given in this domain at Luxembourg would be a step in the right direction".

General mobilization

For Antonio Castellano, chairman of the European Committee of Semi-Public Undertakings, the European Union has an important role to play. He called for a pro-active European industrial policy, for an economic and monetary union equipped with a social policy, for an internal market with a balanced labour policy, for the completion of trans-European networks designed to promote economic and social cohesion and to support the competitiveness of European firms.

For Gabaglio, the question as to whether or not the European Union ought to have responsibilities in the field of employment does not arise. "It is obvious", he said, "that the major responsibilities lie at the national, or even regional, level. But if we are to succeed, we need to mobilise all of the actors and at all levels, European included, of the political spectrum".

"I don't expect Brussels to create jobs directly", he explained, "but in our (the trade unionists') view, Europe must play a role in providing guidance, support, and even complementarity. That is why I think it is absolutely essential that the Luxembourg summit should be a success. It is a test of the

credibility of the Amsterdam decisions: are we capable of articulating a co-ordinated European jobs strategy?"

So what do Gabaglio and his friends expect to come out of the Luxembourg summit?

- First of all, a pact to co-ordinate economic policies in such a way as to use the European dimension in order to achieve better-quality growth.
- Second, guidelines and broad policies on jobs which the Ecofin and the Social Affairs Council ought to adopt formally after the summit, in accordance with the procedures laid down by the institutions. While they agree with the idea of benchmarking and publicising the various countries' experiences, they also call for quantified objectives, notably with regard to cutting the number of jobless and putting young people to work.

Davignon rejected this idea of quantified objectives, because they have two drawbacks in his view: "for the sake of prudence, and so as not to disappoint people, there will be a temptation", he said, "not to set too high a target, in which case what will be proposed will be insignificant. And, moreover, if the objective is not achieved, it will be necessary to name a culprit and sanction it; but we won't know whether to blame the state or business, and we will be caught up in a difficult spiral".

Gabaglio also called upon Europe to develop a co-operative strategy in the field of industrial transformations, "since these are inevitable and necessary, and must therefore be properly managed". He also called for stronger institutional links to enable the social partners "to be fully involved in an overall strategy covering both macro-economic guidelines and guidelines for jobs".

He deplored the fact that jobs were not dealt at the same time as the economy, and could not understand why the European Council would decide on macro-economic strategy in the spring, and on employment in the autumn. Whatever the case, he wanted the social partners to be consulted and the Standing Committee on Employment to be transformed into an economic and social consultation committee that would serve, he said, "as the place where the social partners would be invited to express their views in a clear and organised manner, before the European authorities make their decisions in these fields".

"Not to treat employment at the same time as the economy would indeed be absurd", noted Delors after Gabaglio. "That would take us back to a conception worthy of the 1850s, when social questions were regarded as the Salvation Army of the economy".

So, let's do it!

D'Antoni would actually go further than Gabaglio. "If the construction of Europe is really the instrument that will make us competitive in the world", he declared, "then let's do it! If each state alone cannot be competitive vis-à-vis the United States, Japan or Southeast Asia, because it's too small, or too modest, or somehow ill-prepared, then the only worthwhile instrument is the construction of Europe, which should be seen as positive for all its citizens, and not just for some of them".

"If it were to prove disappointing, then it would be better for the coming summit not to take place", Vasso Papandreou considered. She argued in favour of a major role for the social partners at the European level, and also approved the proposal to have the Ministers of Finance and Ministers of Labour and Employment reflect – and possibly even decide – together.

For Mrs. Papandreou, measures at the European level are absolutely essential, because they put pressure on governments to act and facilitate their task when it comes to putting their countries on course for change, for example with the development of part-time working or the reduction of working hours.

Are there choices to be made? "Yes", replied Melkert, for "one cannot have everything all at once: jobs, a high level of consumption, investment in training and welfare-to-work schemes for the long-term unemployed... What is needed is a new balance between employers and unions". He believed that this is not impossible, provided one is prepared to "eschew social compassion" and make the investments that will supply the economy with the skilled, specialised personnel it needs in order to function at its best. These economic investments, he said, "constitute the common objective which the European summit could formulate, and that should allow everyone to point their noses in the same direction, pending the day when their mouths all speak with the same voice".

The carrot and the stick

Is it a good idea for the state at the national level, and the European authorities at the Community level, to exert pressure in order to bring the social partners to an understanding? The speakers were divided on this question.

On the one hand, there were those, like Richard Hyman, who thought that "the umbrella of law is important in forcing social dialogue to produce concrete results", and he reminded those present that in Sweden agreement was reached under threat of government intervention.

"One cannot", he argued, "leave the social partners free to reach agreement among themselves... To create a structure for job opportunities, governments need to play a key role, and failing agreement among the partners, other forms of regulation must be imposed from outside".

"At the European level, at the moment, it is clear that employers have no desire to negotiate", noted Joao Proenca, Secretary-General of Portugal's UGT. He considered that the determination of the Commission alone could impose such a negotiation.

On the other side, there are those who, like Etienne Davignon, consider that the threat of state intervention inhibits action among the social partners, rather than encouraging it. "The more the state urges them on", he considered, "the more responsibility it assumes and the more the other two parties are inclined to say: pity no one listened to us, but let's leave it up to the state to decide, since that what it says it will do if we don't reach agreement".

CONCLUSION

Drawing the initial conclusions from the seminar, at the final public session, Delors⁵ listed the problems that contemporary changes have rendered undeniable:

- Massive unemployment has weakened the trade union movement to the point where it is less well-armed to play its traditional role in bargaining and in conflicts.
- With 60% of GDP produced by services and with low rates of unionisation, the representativeness of the social partners – unions and employers' organisations – is open to doubt.
- When 80% of jobs are provided by SMEs, it is important know and understand their aspirations.
- Between globalisation of the economy and decentralisation of its management, one cannot avoid a reflection on the role of the state in industrial relations and on how Europe can add value to national efforts, and to those of firms themselves.

"The intellectual emergency of our age is to try to reconcile the economy with social questions", commented Delors, who continues to believe in the virtues of a sound system of industrial and labour relations in our societies, for reasons that stem from our values, which he summed up as follows: "a belief in competition which stimulates us, solidarity which unites us, and co-operation which strengthens us".

The European social model

Delors defended the European model of society which he defined as a "shrewd compromise between market forces, state and central bank intervention, and a vast sphere open to negotiation between the social partners". This model, he said, which has had its thirty years of glory, is now confronted with difficulties, and the question today is whether, coming under attack even inside Europe, it can adapt to the gigantic changes we are now experiencing". Delors said that the EMU project was to the credit of Europe's governments, but on the debit side was the loss of confidence among their citizens, and he deplored a "deficit of co-operation" at all levels.

Ambitions and means

The Luxembourg Prime Minister also referred to the European social model and the European deficit⁶. "I believe", he said, "that in Europe we have the means to save our social model, once we have adapted it, but that we lack the ambitions that would allow us to utilise the means available to us".

For Juncker, the economic crisis – our lacklustre economic performance – stems from the crisis of confidence, and the crisis of confidence is not the result of the economic crisis. "At some point in their troubled history", he went on, "Europeans have stopped dreaming, they have given up the idea that the future belongs to them, and they no longer have the strength to remain faithful to the ambitions upon which they had agreed".

Why? Because today, according to Juncker, "you look silly if you are faithful, and smart if you renege on your political commitments. If you announce agreement on a timetable, a method, a vision, you get taken for an imbecile, while you pass for a shrewd thinker if you question one of the great undertakings Europe has been capable of in the last ten years".

"How many fewer jobless would there have been if we had done more to co-ordinate our economic policies?" asked Juncker. He denounced as "misleading the argument between those who call for closer economic co-operation and those who think there is no need for such co-ordination".

"Need I remind you that the (Maastricht) Treaty speaks not of monetary union, but of economic and monetary union, which means that if, for obvious reasons, there can only be a single monetary policy,

⁵ See Appendix 4.

⁶ See Appendix 5.

economic policies should at least pursue a common interest".

After this picture of weak confidence and dearth of ambitions painted by Delors and Juncker, the chairman of the session – and certainly the doyen of Europeans present – Pierre Werner uttered a plea for optimism to those present. With nearly fifty years' experience of the Community, the former Prime Minister of Luxembourg and author in 1970 of an early report on economic and monetary union, believed that "crises of confidence always occur in intervening periods when things are still unclear; but once the decisions have been made, they become transformed into further progress in the institutional sphere, and frequently in the economic and financial spheres as well".

"Before each stage, it has been necessary to convince people, but after each stage progress has been made", said Werner in justifying his optimism. He then went on to express his confidence in the single currency and give his forecast: "Even if one has one's doubts, the Euro is condemned to be a stable currency because it is backed by one of the greatest economic powers in the world if we join our efforts in a common undertaking. So, let's do it!"

APPENDICE N°1

List of participants

(in alphabetical order)

1. Kirsten AHLSTRÖM (President & CEO Ahlström Corporation - Finlande)
2. Dan McAULEY (Consultant et ancien membre de l'UNICE / Union des Confédérations de l'Industrie et des Employeurs d'Europe)
3. Gilles BELIER (Avocat à la Cour, Conseil en Droit Social - France)
4. John CASTAGNARO (Président OGBL - Onafhängege Gewerkschafts Bond Lëtzebuerg / Confédération syndicale indépendante du Luxembourg)
5. Antonio CASTELLANO (Président du CEEP / Centre Européen des Entreprises à Participation Publique et des Entreprises d'Intérêt Economique Général)
6. Sergio D'ANTONI (Secrétaire Général CISL / Confederazione Italiana Sindacati Lavoratori)
7. Etienne DAVIGNON (Président Société Générale de Belgique)
8. Ben FAYOT (Membre du Parlement Européen, Groupe du Parti des Socialistes Européens)
9. Emilio GABAGLIO (Secrétaire Général de la CES / Confédération Européenne des Syndicats)
10. Richard HYMAN (Professor - Warwick)
11. Marie-Thérèse JOIN-LAMBERT (Inspecteur Général des Affaires Sociales - France)
12. Norbert von KUNITZKI (Président du Conseil d'Administration SIDMAR S.A.-Belgique)
13. Ad MELKERT (Ministre des Affaires Sociales et de l'Emploi des Pays-Bas)
14. Inger OHLSSON (Présidente TCO / Tjänstemans Central Organisation - Suède)
15. Vasso PAPANDEOU (Ministre , ancien membre de la Commission - Grèce)
16. Riccardo PERISSICH (Membre du Conseil d'Administration de Pirelli)
17. Joao PROENCA (Secrétaire Général UGT / União Geral de Trabalhadores - Portugal)
18. Harald SCHARTAU (Industrie-Gewerkschaft Metall, Bezirksleiter Nordrhein-Westfalen)
19. Jan TIMMER (Ancien PDG de Philips)
20. Franz TRAXLER (Professor - Wien)
21. Jean-François TROGRIC (Secrétaire National CFDT - France)
22. Patrick VENTURINI (Conseiller à la DG V - Commission Européenne)
23. Jelle VISSER (Professeur - Amsterdam)
24. Robert WEBER (Président de la Confédération Luxembourgeoises des Syndicats Chrétiens)
25. Gerhard WOLF (Membre du Conseil d'Administration de BASF - Allemagne)
26. Michel WURTH (Membre de la Direction Générale ARBED - Luxembourg)

APPENDICE N°2

Introductory note to the seminar

This seminar is organised by "Notre Europe" in association with the
Luxembourg Institute for European and International Studies

The existence of a system of labour relations based on regular negotiations between employers and workers is one of the key elements of the European social model.

Since 1945, it has been easy to identify the institutions and practices which differentiate Europe from its main industrial competitors. Half way between North American individualism and Japanese community collectivism, the European nations have throughout their history made discussion and cooperation between the various social and economic agents one of the pillars of their industrial relations systems. A "European model" has thus developed for industrial relations based, in particular, on :

- **the existence of several levels of representation.** European collective bargaining is both central and decentralised (at the level of industrial sectors and companies). This structure differentiates the European Union both from the sectorial fragmentation of unions and pressure groups in the United States and the industrial corporatism of Japan.

- **the entrenchment of a civic and reformist political culture.** The links, more or less close depending on the country, established between the associations acting at the socio-economic level and political parties is one of the historic keys to the success of European reformism. These ties between the political and economic worlds have for decades ensured a democratic solution to social conflicts, and represent a key part of the evident economic success.

- **the importance of labour law and the influence exercised by the State to encourage - or not - the development of contractual relations.** In the following pages, we have deliberately concentrated on the specific relations between the trade unions and employers' organisations, without stressing too much the role of the State. However, there is no doubt that reflection is necessary concerning evolution in labour law in view of the profound changes that have taken place in employment and working conditions.

These strong common characteristics should not hide the fact that Europe is a patchwork of countries with their own traditions and interests. The loss of influence of the nation states and the rise of interdependence does not mean that the variety of national situations have ceased to exist.

1. Analysis of types of system

Any analysis of the different types of industrial relations systems in Europe is particularly complex, the more so since decentralisation of collective bargaining has tended to obscure the traditional frontiers.

A. An initial classification can be made through **comparing the relative unionisation rates**, which vary in the European Union between 12% and 85%. No other socio-economic or political indicator shows such a wide variation.

This classification highlights :

--> **countries heavily unionised** (more than 50%) such as the Nordic countries, Belgium and Ireland.

--> **countries with average unionisation** (20% to 40%) such as Austria, the United Kingdom and Italy.

--> **countries with a low level of unionisation** (less than 20%) such as Portugal, Greece, Spain and France.

These figures must, however, be used with care. since they relate to different national situations. The very high level of unionisation in Sweden, for example, (85%), must be considered in the context of a membership system which includes unemployment insurance for workers. Great Britain, with an average unionisation rate of 39%, presents a situation where in the private sector unionisation is "satellitised" depending on the sector concerned, with very heavy unionisation in some sectors, and virtual "deserts" in others.

B. Systems can also be differentiated through **an analysis of statist traditions** :

--> **the Dutch-German system**, characterised by consensus-oriented societies where the autonomy of the social partners is often sought. In these two countries, workers representatives have seats on companies' management boards.

--> **the Continental system**, which applies, with differences, in Belgium, France, Greece, Italy, Luxembourg, Spain and Portugal. The State plays a central role in labour relations both through constitutional provisions, such as the right to associate and negotiate, and through abundant legislation.

--> **the Anglo-Irish system**, where the State has in most cases refrained from regulating industrial relations. This trend has accentuated in the last twenty years in Great Britain.

--> **the Nordic system**, based on the autonomy of the social partners and on their key role in directing the evolution of social relations.

This analysis explains in part the reluctance of the Danes and the British to accept any extension at the European level of the so-called "Continental system". The resistance of certain countries to any form of change by directive in social affairs should not be regarded simply as the expression of a political opinion, but illustrates a more fundamental reluctance to the solution of social problems through legislation.

Here again, however, opposition should not be caricatured especially at a moment when the social partners are showing a desire to affirm (in France and Spain in particular) or reaffirm (in Germany) autonomy in social negotiations vis-à-vis the State or the political world.

C. Other analyses are possible, and notably that ⁷ based on **the differences in internal and external flexibility in the labour market**.

It can thus be seen that :

--> **there is a Northern European group** (Germany, Belgium, and the Nordic countries), with strict rules concerning external flexibility (freedom to hire and fire), constraints balanced by high skill levels, a flexible hierarchy within companies, and a consensual approach to many problems (and notably the introduction of new technologies, restructuring and changes in

⁷Analysis made by Martin Rhodes in "European Social Policy", The Brookings Institution, 1995.

employment levels), which create a high degree of internal flexibility. Hence the desire of these countries to maintain a system based both on productivity and high salaries to fight against any risk of "social dumping" within the European market.

--> **there is also an Anglo-Irish group**, with great external flexibility arising from few constraints on employers and light labour regulation. On the other hand, these countries have little internal flexibility either because of the low level of skills (in Ireland) or a tradition of conflict in social relations (in Great Britain). Their capacity to adjust to change thus depends de facto on a high level of mobility and flexibility in the labour market.

--> **there is a Mediterranean group** (France, Italy, Greece, Portugal and Spain), which does not have a high degree of internal or external flexibility. Even though these countries have established relatively strict rules as regards the liberty to hire and fire, both the trade unions and employers' organisations through their traditions and practices present an obstacle to increasing internal and external flexibility. Having said this, the use of limited term contracts and temporary hiring have increased substantially, but at the price of seeing a multi-speed labour market develop.

2. Recent trends

The gradual disappearance of economic frontiers between European countries is tending to create new divisions based on "social frontiers". The development and cohesion of a nation appear to be increasingly tied to the efficiency of its system of industrial relations and social security. Thus, even though the Welfare State models allowed democratic management of social conflicts for several decades and represent an undoubted economic success, they now appear to be being brought into question through the rise in unemployment and through the acceleration of technical change and of globalisation.

Before considering the main elements of this change, it should be noted that during the 1950s to 1970s, the existence of a network of national wage agreements had two main advantages then regarded as important. Firstly, they limited variations in salaries, and secondly, they controlled wage income in the framework of an implicit incomes policy.

In the last few years, however, the globalisation of the economy, technological change, flexible production methods and the diversification of the labour market are forcing European countries to move towards methods of organisation better suited to present constraints. This change has been accentuated by the creation of an economic, monetary and financial framework which puts companies in direct competition with each other.

At the same time, the international extension of markets, segmentation, and the volatility of consumer tastes and needs is forcing companies to adapt their products rapidly both in quantity and quality. These new constraints are making them change gradually from the improvement in management of the 1960s and 1970s to improved strategic performance based above all on flexibility. Everywhere, companies are trying to improve the balance between their development strategies and management methods especially as regards human resources (new ways of mobilising the workforce, organisation and development of skills, increased use of sub-contractors).

For their part, the trade unions often appear to be on the defensive because of strong traditional identities, which further weaken their capacity to propose and mobilise. Since the end of the 1980s, these difficulties have even affected the most efficient national systems (notably Scandinavian, German and Austrian), which had managed for a long time to combine economic prosperity with social reforms.

In such a situation, it is not easy to analyse the state of industrial relations in Europe. There seem to be two contradictory trends at the moment. The first is the importance of the internationalisation of trade that is leading to a gradual harmonisation of labour relations in Europe. In the Latin countries, negotiations are tending to become a central quasi-permanent feature of union activity.

These countries are thus coming closer to the Northern European countries with Social Democratic traditions. The stereotyped images opposing the conflictual systems to the consensual systems are less and less appropriate.

However, another approach, called "localist", stresses the increased importance of regional and national characteristics, notably caused by the weakening of centralised forms of negotiation and by the appearance of local negotiating structures. It is clear that, in the face of the changes in the world economy, the national systems of labour relations appear to be very different. Even though in some countries the necessary changes take place through a permanent social dialogue with a capacity on the part of the trade unions to test their strength and negotiate the changes (Germany, Holland, Denmark), other trade unions appear to be much more reluctant to change their strategies. Furthermore, they often have to take into account certain corporatist tendencies within their ranks.

3. Elements of convergence⁸

In the context of recent developments, one can, however, discern three elements of convergence between the national systems :

A. Firstly, the decentralisation of collective bargaining.

Negotiations increasingly take place at the company level, along with experimentation and mobilisation. Whether this involves the reduction in working hours, the development of flexible working or changes in working hours, most of the traditional subjects of social discussion are gradually moving to the company level, even to the plant level. This is happening to such an extent that the interprofessional national level is often reduced to dealing with "institutional" subjects such as pensions (Italy), the reform of the Social Security system (France), and training organisations (Spain).

This rise in decentralisation is particularly obvious in countries such as Sweden where, starting with a system based on annual centralised negotiations, decentralised company negotiations have taken on an increasing importance. In France, company negotiations increased at a rate of 14% per year between 1982 and 1990, because of a law requiring companies to negotiate each year. This is an illustration, among others, of the influence that the State can have on industrial relations.

Even though companies can implement formulas which are their own, workers can also hope that, concerning decisions which affect their daily lives (annualisation of salaries, overtime, Saturday working), their specific needs will be taken into account.

This illustrates certain changes in the attitudes of workers towards the individualisation of employment conditions. For their part, companies have considerably adapted their internal communication and human resources policies through developing direct communication and consultations with workers such as in the Italian company Pirelli.

This change in ways of negotiating raises at least two questions.

⁸ For a more detailed analysis, see the study by Bernard Brunhes Consultants and Lasaire/European Commission (DG V, October, 1996) "Collective bargaining and employment flexibility in Europe".

Firstly, that of the status of the negotiators within companies. They can be union representatives as such, or workers representatives where the trade unions do not have majority influence.

Secondly, that of whether this decentralised negotiating is compatible with the quest for an overall framework at the national level. One of the difficulties of national bargaining seems to be linked to the desire for flexibility and ever increasing diversity. Economic change moves in tandem with a growing liberation of market forces, while one of the objectives of bargaining was to channel these forces.

It is also unclear as to whether these changes are always favourable for workers, who become more dependent on their company or plant. Decentralisation of bargaining is above all the desire of employers, with each company wanting to design compromises suited to its specificities, but this brings into question the acquired rights of workers. In many countries, the regulatory role of industrial relations is declining sharply, and the main losers are workers in SMEs, where there are inadequate structures to represent them and bargain for them.

B. The crisis of representativity of trade unions and employers' organisations.

The drop in the number of workers unionised that began in 1980 is an extraordinary turning point in the history of labour relations in Europe. For a long time, one of the main elements of European trade unionism has been its stability, marked by a constant increase in the number of members and the expansion of the system of collective bargaining.

In Great Britain, for example, the trade unions have lost nearly three million members since 1979. France is an extreme example of this crisis in trade unionism. In 20 years, it has lost 2/3rds of its union members. Most of the remaining union members are concentrated in the civil service or the major nationalised companies, which makes them less likely to appreciate the changes in working methods and employment.

In Italy, even though the number of union members has remained stable, the crisis is latent because the figures include a large number of pensioners. Everywhere, trade unions are unattractive for the young (only 13% of the members of the DGB are less than 25 years old), and represent men much more than women, qualified workers rather than unskilled workers (Germany) and civil service workers rather than those in the private sector (in France, the unionisation rate in the private sector is 5%).

However, important differences remain between the countries of the North and South of Europe. Austrian and German trade unionism remains strong. As for the Scandinavian unions, they were already different in the 1930s since they increased their number of members even though there was the Great Depression and massive unemployment. Once again, the Swedish and Danish unions have strengthened their positions in terms of representativity.

But it remains true that everywhere the retreat into corporatism is tending to weaken the capacity of union to propose and mobilise.

This crisis in representativity is also the corollary of changes in the employment system. Most jobs are created today by small businesses, while the labour relations system is most structured within large companies. Even within large companies, unions are sometimes little present at the decentralised level. At the same time, the transformation of the labour market and the multiplication of so-called "untypical" jobs raises the question of the capacity of trade unions to represent certain categories of the active population, such as the unemployed, part-time workers, and independent workers (the "self-employed" in Great Britain or "autonomous" workers in Italy). This is why the trade unions are thinking about an extension into services and consulting

to companies.

The result of this divorce between unions and workers is that increasingly strike calls are not followed. Proof of this comes from the failure of the general strike in Spain following the reform of labour law in 1994, and the absence of mobilisation by workers after the massive movement of December 1992 in France. This crisis in representativity is also affecting the employers' organisations. There are now an increasing number of SMEs that express doubts about the capacity of the employers' organisations to take into account their real problems, and which are reluctant to follow the rules set at the national or sector level. This is notably the case in Germany where the debate is regularly concentrated on the internal divisions of the employers' organisations.

But it is clear that collective bargaining requires strong parties and operates better with a system of industrial relations based on the plant level up to the national level.

--> C. Diversity of employment conditions.

In all the countries of the European Union, labour law has ceased to be monolithic, defining a sole professional identity, and has given way to an increasingly wide range of professional statuses. The classic salaried worker model, working full-time without any limit to the employment contract, is no longer dominant. So-called "untypical" jobs account for 33% of European workers and 52% of British workers. (Center for the Study of Employment; No. 13, January, 1996).

Everywhere, pressure concerning the organisation of work (annualisation of hours, Saturday or Sunday working and other forms of flexibility), is coming clearly from employers' organisations and company management who obviously want to move towards more flexible hours and differentiated salaries. Even in those countries where unionism remains strong, such as Germany, Italy and Sweden, an increasing number of negotiations are taking place about flexibility and working hours at the request of employers.

The trade unions often simply ask for benefits in return for this new flexibility, either in terms of employment guarantees, changes in working hours or bonuses for flexibility. Thus "even though the demand for a reduction in working hours has for a long time been a strong demand by the trade unions to improve working conditions and the life of workers, it is now either to offset the flexibility demanded of workers, or linked to (the maintenance) of employment." (Brunhes and Lassaie op. cit. page 73).

The changes in working hours is now accompanied by growing individualisation of salaries which initially was reserved for executives and is now being applied to all workers. Salary policies are increasingly designed to take into account economic realities and negotiated on the basis of "we give-you give" concerning hiring or flexibility.

One can cite the example of the agreement signed by the Caixa de Abossos de Barcelona which authorises the hiring of young people at a lower level than the collective agreements allowed, and the case of the Electrolux plant at Motola, which established a remuneration system taking into account the acceptance of flexibility. In Great Britain, only company profitability and the individual performance of workers counts. In countries where sectorial collective agreements play an important role, salary increases are either decided at the sector level (the case in Germany), or split between the two, at the level of the sector and the company (in Sweden, Italy and Spain). The differentiation of salaries depending on regional development is now being considered.

Changes in working hours, working during rest periods, (notably Saturday and even Sunday working) and salary moderation - these are the changes being requested in the name of

employment which trade unions have difficulty in opposing even when they do not approve them in agreements. Thus the recurring question in all countries is : How far will we go in the name of employment ?

It is clear that the changes in the status of workers into different forms depending on sector, company and skills, are not uniform. Two different types of employment contracts can thus be seen. Those for workers who have a "classical status" with all the advantages of collective agreements, and those who are not covered by these agreements who do not have the benefit of the minimum social guarantees envisaged by law.

All these changes thus show a clear correlation between the transformation of the employment system, the decentralisation of collective bargaining and the loss of influence of the traditional trade unions and employers' organisations. The trade unions are, in particular, "today torn between the wish to defend the workers' status to which they are historically attached, and the desire to represent those who are excluded from this status...their representative function swings between the corporatist temptation and the hegemonic temptation to speak out for the general interest. Only the idea of the representation of work in all its forms will be able to establish the basis for renewed forms of representation and collective action." ⁹.

⁹ *Manifesto for a Social Europe*, Ed. Desclée de Brouwer, 1996.

APPENDICE N°3

Presentation by Mr. Ad Melkert, Minister of Social Affairs and Employment

Thank you very much Mr. President and let me say how honoured I am to be invited to speak in the presence of Mr. Werner. As a young student one of my main projects was to study his reports. Mr. Delors, I have admired your work during your presidency in the Commission and I also refer to your work in my introduction because it is as topical now as it was when it was presented. Ladies and gentlemen I do hope that to-day's discussion will be concentrated on what I would like to call the mandate of Amsterdam, that is the task to complement the European Union's monetary economic integration with effective social economic convergence. Through this, more employment and enhanced social cohesion will be realised and citizens would definitely be one for the reality of the European ideal.

When we look at the situation from the Amsterdam point of view, we see the European economic government developing from its embryonic stage. In my view it is the European Council that identifies and integrates financial, economic and social interests. In doing so, it exercises the political authority which together with the monetary authority of the European Central Bank will accelerate the integration to a speed that is as yet hard to imagine.

Europe is going to work, but will it work and by whom will it be set to work? The fact is that the political institutions will be unable to achieve effective economic and social co-operation all by themselves.

The engagement of employers and employees in Europe is a condition sine qua non. With a noncommittal attitude on the side of the partners of the European Union we will not succeed in battling the embarrassingly high unemployment rates effectively.

Therefore, it is high time that employers and trade unions in the European Union carefully contemplate their role in Europe by working on a European Union that is sound both economically and socially. It requires the joint commitment of enlightened employers, of unorthodox union leaders and of creative politicians. I'll come back to those three categories of persons that might seem to be scarcely available including politicians.

The rigid industrial relations that we witness at present in some of the larger EU countries have a paralysing effect on the pursuit of a working and social Europe. Whoever sees the necessity of true social economic convergence must realise that blocked up or polarised relations in France, Germany and Britain may severely impede the realisation of the Amsterdam mandate.

The Treaty of Amsterdam means a leap forward in the establishment of a Europe that the citizens can relate to socially and economically. The social partners have been bestowed with an essential role. They will be closely involved in the employment policy development. Employers and trade unions leave their place behind the screens and are invited to emerge into the spotlight.

But they will only be able to play their part on the European stage well if they commit themselves. Sooner or later but rather sooner the non-committal character of the social dialogue of today will have to make way for a binding European social framework which enables the social partners in the member states to follow a common course with regard to the collective labour agreements for the coming years.

With the commitment of employers and employees the monetary stability in Europe can go hand in hand with social stability. With commitment we can achieve a substantial decrease in unemployment

under well considered basic social conditions. With the commitment of employers and trade unions we can maintain an economy in the Union that is job creating and competitive.

In many countries we can already witness employers and employees forging pacts with their governments on a national level not because they have forgotten their own interests and objectives but because they realise that they stand a better chance of achieving them within a larger framework. Parallel to the convergence to price level is an interest rate that indicates the potential of a larger EMU. A cultural reform is developing in industrial relations: in Denmark (which has an older tradition) but also in Ireland, Spain, Portugal - therefore in the north as well as in the south and that is remarkable.

Allow me to say a few words about the situation in the Netherlands. I don't want to export what some would like to call 'the Dutch model' because there is no such model and we are ourselves the most critical of the achievements so far because we know at the same time that there are still quite a lot of things to be done. However, I do believe that some of the elements that we have dealt with in the Netherlands in the past ten or fifteen years would also make up the European agenda in industrial relations. In the Netherlands, this reform that I was talking about started to take place in the beginning of the 1980s. The country was in dire straits - shut downs and dismissals threatened to deliver a fatal blow to the Dutch economy. Employers and trade unions then acknowledged that their rigid traditional attitude was leading them nowhere. In 1982 they came to an agreement in which they traded off wage constraints for job creation and reallocation of work. The government supported this basic idea which has consistently been maintained ever since by budgetary discipline and a reduction of taxes and social contributions.

Without the commitment of the social partners we would never have had succeeded in the Netherlands in putting the economy back on track like this, while at the same time maintaining the basic structure of the social security system. The employers were none the worse for it and the trade unions have seen the numbers of their members increasing again since the agreement.

Later a number of important innovative elements have been added to the Dutch agreement such as greater flexibility of the labour market which we do not see as a dirty word.

Both employers and employees can profit from this: employers, because they can deploy their personnel in a more flexible way and employees because it gives them the chance to combine work with for instance study or private duties such as family care or social activities. This is economically effective and socially sensible if it is about flexibility combined with security. Likewise the social security system in the Netherlands has been reviewed. The weight of billions of guilders of funds, passive benefits, is now converted into active investment of as many guilders in human resources. The change is a social necessity but also a pre-requisite for a more mobile labour market in an ageing society. We have to put more emphasis on activation, although without neglecting a solid protection of income. This is the protection of income that is not merely motivated by social considerations as a sound system of social insurance offers employees the opportunity to move in the labour markets without running the risk of disastrous consequences for their income in case this mobility doesn't lead to work. We have to keep looking for new opportunities on the labour market for people in order to involve even larger numbers of people in paid labour. In addition we have to work on new forms of training, so that the economy may profit from better educated people who consequently have a higher quality of productivity and this is also supported fiscally with an extra emphasis on the employability of people over forty years of age. In to-day's labour market one seems to be old when one is forty years or older and it seems not to be worthwhile anymore to invest in the education and in the development and mobility of such a person. This is also dramatic for myself as I have just passed forty years of age.

A common cause is profitable. Why should this only apply to the monetary aspects of the Union? This is equally crucial for the social economic effects of the United Union and even a condition for long-term monetary strength and stability. But unfortunately and I'm sincerely worried about this, the convergence of the social economic policies of the member states seems to be lagging behind. Without

this convergence it will be very hard to pursue a sound European social policy and an effective employment policy.

Converging economies require congenial ideas about the role of the social partners and here I come back to the main topic of this introduction - having an open mind about the extent of flexibility and security in the industrial relations and the common acknowledgement of the importance of the social infrastructure in Europe. This convergence should be the basis for the European employment policy. Employment policy, in its approach and pursuit is primarily a national policy. However the EU can provide a significant added value, for instance by introducing a system of trend indicators, by means of which the member states in analogy with the monetary economic instruments can measure what progress they are making in the employment field and in combating unemployment.

What I'm thinking of, is for instance indicators that monitor the systems of vocational training or an indicator for policies that stimulate innovative enterprise, a trend indicator that measures the effectiveness of employment offices and reintegration policies and a main indicator which monitors the development in the balance between the number of people in the work-force on the one hand and the number of people that are dependent on benefits or state pensions on the other hand.

I think that a number of recommendations on the Delors White Paper should be on the Luxembourg agenda, even if we are already so many years on from the presentation of those ideas, as they are still extremely valid. Also there should be room for some experimentation, like for instance the ardent Dutch wish that labour intensive services should be taxed with the lower VAT tariff which is prohibited by the EU rules at this moment. This is not very well understood by citizens who would like to profit from those personal services which create and generate a lot of unemployment.

The employment summit is not only an important moment to formulate a concrete working agenda, the summit must be the initiative to and a catalyst for the innovation of industrial relations in Europe. The summit must lay the basis for a different, contemporary vision on the interaction between social and economic aspects and for this we urgently need those enlightened employers, unorthodox union leaders and creative politicians that I was talking about before.

It is high time that employers recognise that reducing the average working hours is in line with the historic trend of economic growth and that this also offers space for more part-time jobs in addition to full time work. But it is equally high time that the trade-unions recognise that this can only be good for employment if the wage costs for each product unit do not rise and also at this time that governments will amend out-dated laws and create together with social partners a new balance between the rights and obligations of workers and employers alike.

Wherever yesterday's ideology obstructs to-day's social pragmatism, Europe will have to abandon the polarised industrial relations. The engagement of employers and trade unions is indispensable if we want to offer workers and potential workers opportunities on the labour market of the next century, if we just want to preserve the social cohesion in the European Union.

Modernisation of industrial relations - I think that is what should be our focal point today, not as a goal in itself, for that would entail a new ideology, but as a means in our permanent search for the balance between the interests of employers and employees. That interest is characterised by versatile, flexible, motivated and thus highly productive personnel, but also by the interests of employees, characterised by mobile and if insured of adequate social and pension rights, motivated also by room for additional training and the opportunity to combine private duties with work, i.e. the agenda of the interests of employers on the one hand and employees on the other hand. It is possible for governments to stimulate social partners and to keep in touch with social partners - to bridge the gap that seems to be an economic gap that cannot be bridged.

But this gap in the end turns out to be the economic basis for the future needing a trade union that will accept flexibility under certain conditions and with employers who acknowledge that maximum labour

productivity is only feasible with motivated personnel. With that social partnership, Europe can bind productivity to employment and in doing so the citizen to the European Union.

APPENDICE N°4

Address to the public session by Jacques Delors

Messieurs les Premiers Ministres, Madame, Messieurs les Ministres, Excellences, Mesdames, Messieurs, permettez moi tout d'abord de remercier l'Institut d'Etudes Européennes et Internationales du Luxembourg, Institut prestigieux, qui travaille aussi avec les Etats-Unis et le monde anglo-saxon et grâce auquel nous avons pu tenir ce séminaire restreint avec des représentants du patronat et des organisations syndicales, ainsi que des spécialistes, notamment des chercheurs en sociologie des relations industrielles pour traiter de l'évolution des relations industrielles. Pourquoi ce sujet ? Et dans quel contexte avons-nous tenu cette réunion, qui nous a d'ailleurs écartelés entre la proximité de ce Sommet social, en Novembre, qui est une échéance redoutable pour notre Président de l'Union Européenne, Jean-Claude Juncker, Premier Ministre du Luxembourg, et notre sujet, choisi pour une raison simple. Quelles que soient les différences dans les parcours historiques des pays européens, quelle que soit la diversité des caractéristiques de leurs systèmes, il existe, et nous le défendons, un modèle européen. Ce modèle européen qui a connu les Trente Glorieuses et qui, maintenant, se heurte à des difficultés était un savant compromis entre le jeu du marché, l'intervention de l'Etat ou de la Banque Centrale lorsqu'elle était indépendante et un vaste champ laissé à la concertation, à la négociation entre ce que l'on appelle les partenaires sociaux. La question qui se pose aujourd'hui est de savoir si ce modèle européen, critiqué même à l'intérieur de l'Europe, est capable de s'adapter à la mutation gigantesque que nous traversons. Tel était notre sujet. Mais comment l'aborder, sans penser à l'Europe, à l'association d'images pour beaucoup, entre l'Europe et le chômage massif qui frappe nos sociétés ? Comment ne pas penser au Sommet social ? Comment ne pas songer à ce que Monsieur le Ministre Melkert appelait le mandat d'Amsterdam, c'est à dire l'ensemble des recommandations et des orientations inscrites dans un communiqué et dans un Traité et qu'il s'agit maintenant de mettre en oeuvre ? Si bien, qu'à la fin de ce séminaire, les acteurs sociaux et économiques ont sûrement un sentiment de frustration, car l'on a insuffisamment abordé la perspective du Sommet social, et les chercheurs en sciences sociales ont peut-être le sentiment qu'ils avaient affaire à des personnalités qui ne voulaient pas aller au fond des problèmes posés, notamment la représentativité des partenaires sociaux. Et c'est sur ce sentiment de frustration que nous avons terminé la réunion. Mais je pense que nous avons progressé.

Il n'entre pas dans mes intentions de vous faire un résumé de ce colloque, pas plus que de mêler ma voix à ceux - déjà nombreux - qui donnent des conseils à la Présidence luxembourgeoise en vue du Sommet social. Je voudrais simplement vous parler de ces systèmes de relations industrielles que l'on baptise souvent systèmes de relations sociales, vous dire quelques mots des sociétés européennes face à la crise de l'emploi, et enfin, vous dire que, au delà des échéances proches, il me semble que l'urgence intellectuelle et politique de notre époque, c'est bien d'essayer de réconcilier l'économie et le social. Pas simplement une urgence politique, ce serait trop facile, mais bien une urgence intellectuelle eu égard au fait que la mutation est là.

Elle nous prend à la gorge, on ne peut l'éviter, on ne peut comme l'autruche se cacher la tête dans le sable du désert. Et d'un autre côté, nous sommes attachés à un ensemble de valeurs qui font que nous avons une tâche de réflexion à mener, réflexion difficile pour réconcilier l'économie et le social.

Pour les systèmes de relations industrielles, j'en reviens à la motivation de ce séminaire. Voyez les journaux belges ces jours-ci qui disent : "les partenaires sociaux vont-ils faire un pacte avec le gouvernement ou bien sont-ils fatigués ? Les héros seraient-ils fatigués ? S'agit-il de signes de déclin ou bien d'une phase d'adaptation ?" Il est évident que pour répondre à cette question, il faut tenir compte des rapports de forces. Quand le chômage est massif, le syndicalisme est moins bien armé pour aboutir - non pas seulement pour mener des conflits - à des résultats satisfaisants en terme de négociations. Il est évident que lorsque la structure du travail se modifie comme elle le fait, 60 % de la production intérieure brute sont réalisés par les services et dans les services, et le taux de

syndicalisation est parfois très faible. Il est évident aussi que la question se pose de savoir si les partenaires sociaux - et on pourrait poser des questions analogues pour les organisations patronales - sont bien représentatifs de l'ensemble des forces. Et quand nos chefs de gouvernement dans leurs résolutions disent à juste titre que 80% des emplois viendront maintenant des P.M.E., comment sont organisées les P.M.E. ? Comment arrivent-elles à exprimer leurs aspirations ? Sont-elles capables, de par leur nature même, à constituer des grandes organisations représentatives de leurs aspirations et de leurs intérêts, comme le font les grandes entreprises ? Telles sont les questions qui, en plus de l'internationalisation, se posent aujourd'hui. On peut constater, à ce propos, deux faits importants: tout d'abord les niveaux de concertation et de consultation ont changé. On va vers la décentralisation, davantage vers l'entreprise. Mais la question s'est posée, et elle est évidemment au coeur du dialogue social européen, de savoir si au niveau central il peut y avoir une valeur ajoutée. Cela pose aussi la question du rôle de l'Etat dans les relations industrielles avec là encore la diversité des situations selon les pays. Mais enfin le problème est posé et on a beaucoup discuté de savoir si l'Etat faisait bien de "manier la carotte et le bâton" pour obliger les partenaires sociaux à trouver des terrains d'entente.

Le deuxième paramètre vraiment essentiel est la prise en compte des nouvelles réalités du travail dans nos sociétés. Je serai extrêmement banal en rappelant qu'aujourd'hui les jeunes qui entrent dans la vie active, s'ils ont la chance d'avoir un travail, ne sont pas sûrs d'effectuer le même travail pendant 40 ans ; leur travail sera coupé par des périodes de chômage ou de non-emploi ou de congés sabbatiques qui commencent déjà à être organisés et le contenu même du travail a changé. Par rapport à cela, notre droit du travail est-il bien adapté? Quelle est la combinaison idéale entre le droit du travail d'un côté, et de l'autre, les possibilités qu'ont les partenaires sociaux au niveau de l'entreprise comme au niveau national de conclure des accords, puisque ce qui produit des normes dans la société européenne, c'est à la fois le droit et les conventions collectives ? Cette question est importante. Vous savez que certains ont proposé de substituer au contrat de travail classique un contrat d'activité qui couvrirait la personne pendant toute la durée de sa vie active et qui lui permettrait de continuer à bénéficier des garanties de la sécurité sociale, d'accumuler des droits même dans les périodes où, n'ayant pas de travail, elle est en stage de formation, dans la vie associative ou dans une autre posture.

Le changement des réalités du travail est donc sûrement la question centrale qui se pose à tous ceux qui s'intéressent aux relations sociales, aux relations industrielles et au droit du travail. Malgré cela, et dans une vision un peu volontariste des choses, je pense que, en dépit des thèses sur le déclin irrémédiable des systèmes européens de relations industrielles, qui préconisent la diminution de la représentativité et de l'influence des organisations syndicales, nous continuons à croire pour des raisons qui tiennent à nos valeurs, à l'importance d'un bon système de relations industrielles et de relations sociales dans nos sociétés. Ce sont ces valeurs qui comptent pour nous et qui sont, si je puis les résumer ainsi, une croyance en la compétition qui nous stimule, la solidarité qui nous unit et la coopération qui nous renforce. Dans cet esprit qui est, me semble-t-il, l'esprit européen, il s'agit non pas de jeter aux orties un système qui avait fait ses preuves mais de l'adapter, et c'est tout le défi des années à venir, pas seulement pour les hommes et les femmes politiques, mais aussi pour les organisations patronales et syndicales. Et ce matin, le Ministre Melkert faisait une distinction assez claire entre l'engagement dans un processus de discussion et de négociation d'un côté et la responsabilité personnelle de chacun de l'autre. De nouveaux champs doivent être ouverts, de nouvelles procédures doivent être trouvées tant au niveau national qu'au niveau européen. D'ailleurs, ayant pris la mesure de la difficulté au niveau de chaque pays de réussir à adapter le système de relations industrielles, j'avais pris en 1985 l'initiative de renouer le dialogue social qui n'existait plus depuis 1977. Aujourd'hui nous avons pu faire un bilan nuancé, mais positif, de ces douze ans de pratique du dialogue social.

Et la question qu'aussitôt beaucoup ont posé est la suivante: dans quelle mesure ces systèmes de relations industrielles peuvent-ils aider à résoudre le problème central tant sur le plan économique que social - parce qu'il pose des questions de compétitivité aussi, celui de l'emploi ? Monsieur le Ministre Melkert, en commentant l'expérience hollandaise, qui est pour nous pleine d'enseignements, a souligné dans son rapport introductif : "en l'absence d'un engagement des partenaires sociaux, nous n'aurions pas réussi à remettre l'économie sur la bonne voie tout en maintenant notre régime de protection

sociale." Bien entendu, quand je dis cela dans d'autres pays, on me dit "oui, mais les hollandais sont des gens à part, oui mais les Pays-Bas, c'est un petit pays". Je ne le crois absolument pas. Ils ont leurs caractéristiques, un mélange de catholicisme et de calvinisme (si je puis dire !), mais pour le reste, ce qui a été fait aux Pays-Bas, pourquoi ne le réussirions-nous pas ailleurs ? Nous aurions pu aussi citer les exemples ou les progrès faits dans d'autres pays, comme le Danemark ou comme l'Irlande.

Par conséquent, c'est en posant cette question que nous revenons aux sociétés européennes face à la crise de l'emploi. A cet égard, nous avons la faiblesse de croire que le diagnostic porté par le Livre Blanc de 1993 demeure valable. Et d'ailleurs les chefs de gouvernements ont accepté le diagnostic. Quel était le message du Livre Blanc ? Nous avons progressé depuis 1985, stimulés dans une certaine mesure par le grand marché intérieur, par les politiques communes de l'Acte Unique. Mais pendant ce temps là, le monde a progressé encore plus vite que nous. Il faut donc à nouveau retrousser ses manches et s'adapter. Tel était le message du Livre Blanc. Peu importe ensuite ce qu'il est devenu, l'important est de l'actualiser. Et là est venue la question des participants au séminaire: "dans quelle mesure l'Europe peut-elle apporter une valeur ajoutée à des efforts qui restent nationaux, qui restent au niveau des entreprises ?".

Cette valeur ajoutée consiste en une impulsion européenne, à partir d'une prise de conscience commune de tous les gouvernements, mais aussi des partenaires sociaux et dans un effort d'anticipation qui est plus que jamais indispensable.

Nous sommes à la recherche de cette impulsion européenne à nouveau. Nous l'avons, vous l'avez réussi, vous les gouvernements sur le plan économique en acceptant le grand marché, en mettant en oeuvre ce projet si ambitieux de l'Union Economique et Monétaire, mais nous ne l'avons pas réussi, vous ne l'avez pas réussi pour faire prendre conscience à l'opinion publique des formidables mutations qui affectent notre société. En Europe, la compétition est de plus en plus grande, même si le marché intérieur doit être perfectionné, la solidarité va beaucoup mieux qu'il y a dix ans puisque les politiques structurelles ont été largement développées -elles représentent 36% du budget communautaire- mais il y a un déficit de coopération.

Dans le triangle solidarité-compétition-coopération, c'est le point faible. Je veux mentionner la coopération entre les politiques macro-économiques, et l'Association "Notre Europe" a publié une étude pour montrer le manque à gagner de l'absence d'une coopération entre les politiques macro-économiques depuis 1992. Dans le cadre de l'UEM, notamment, appliquons le Traité et notamment les articles 102 et 103, de façon à ce qu'en face du pôle monétaire, il y ait un pôle économique qui équilibre justement sans interférer avec la Banque Centrale. Mais il y a aussi déficit de coopération en matière de recherche et de développement, malgré la concentration des programmes communautaires, déficit de coopération entre nos entreprises, voyez la difficulté de mettre en place une société de droit européen, réclamée depuis plusieurs années par les entreprises qui doivent monter des schémas très coûteux pour essayer d'obtenir des résultats en matière de coopération, de synergie ou de joint-venture. Nous sommes là au-delà de la querelle entre les fédéralistes et les intergouvernementalistes, nous sommes dans un domaine simple de constatation : les Européens ne coopèrent pas suffisamment entre eux. Et sans doute est-ce un signal que l'on pourrait leur donner. Ceci pour essayer de résoudre ce que j'ai appelé au début un défi intellectuel assez extraordinaire : comment réconcilier l'économie et le social ? Jusqu'où devons-nous aller au nom de la compétitivité dans la remise en cause de nos systèmes de régulation sociale, nos systèmes de prévoyance ? Jusqu'au moment où nous aurons assuré la survie politique et économique de l'Europe. Et là nous ne pouvons pas tricher. Si cette survie n'est pas garantie, alors nous laisserons aux générations qui viennent un continent à la dérive. Certes riche, mais pas plus. La question du temps est à cet égard essentielle. J'ai parlé tout à l'heure d'effet d'anticipation, mais l'effet d'anticipation permet une bonne utilisation du temps et permet d'économiser, de ralentir, de diminuer le coût social de l'adaptation.

M. Davignon qui était présent parmi nous, et qui a l'avantage d'avoir été à la fois membre de la Commission et qui est un entrepreneur le disait : c'est au moment où cela va bien ou pas trop mal, qu'il faut penser aux vaches maigres. Et là, les vaches maigres prennent le visage de la mondialisation et du

progrès technique. Et en y réfléchissant, s'il y a un point sur lequel parmi d'autres, j'aurais aimé actualiser le Livre Blanc, c'est d'expliquer que le principal danger aujourd'hui qui menace la cohésion de notre société, c'est l'accélération du progrès technique.

Je m'en suis convaincu quand, ayant discuté avec des économistes libéraux partisans de la dérégulation, ils m'ont eux-mêmes confié combien ils redoutaient que le progrès technique rejette en dehors du marché du travail, du circuit de la production et même de la société une partie de la population. Songez aussi à ces jeunes qui ont 27/28 ans, qui n'ont connu aucune expérience du travail, qui sont sortis de l'école, et qui ne connaissent même pas les disciplines du travail.

Songez à ces travailleurs de quarante ans qui sont depuis 20 ans dans une entreprise, qui sont passés du taylorisme au "just-in-time" japonais et à qui on dit aujourd'hui : il faut encore changer, vous allez travailler avec un ordinateur et vérifier vous-même la qualité de votre production. Il y en a qui ne sont plus capables de le faire, et on peut d'ailleurs se poser la question de savoir si nos systèmes d'éducation pensent déjà à ceux qui demain seront dans une telle situation. Le facteur central est donc le progrès technique. Nous devons y faire face. Je dois reconnaître en le regrettant que parmi ces éléments du progrès technique, le plus important, signalé dans le Livre Blanc, c'est la société d'information. Or depuis 1993, j'ai le regret de vous dire que nous avons encore pris du retard vis-à-vis des Etats-Unis dans l'exploitation de toutes les possibilités, pas simplement du point de vue des moyens de production, du comment produire, mais aussi du quoi produire. Et ceci est inquiétant.

Par conséquent je voudrais placer au coeur de la réconciliation entre l'économique et le social et en pensant à tout le travail intellectuel qui pourra être fait, trois thèmes : l'éducation, un équilibre entre sécurité et flexibilité, et là, je ne fais que reprendre le thème que traite depuis deux ans régulièrement l'OCDE, et enfin la nécessité de penser à un nouveau modèle de développement.

L'éducation tout d'abord. Aujourd'hui, il faut que l'éducation soit organisée tout au long de la vie, qu'à chaque moment, puisque nous aurons davantage de temps libre, nous puissions retourner à l'école, sous une forme ou sous une autre. Pas simplement pour être formé à un petit métier, pas simplement pour acquérir une compétence, mais pour reprendre confiance en soi-même. Que sont les quatre piliers de l'éducation tout au long de la vie ? Apprendre à être, apprendre à connaître, apprendre à faire, apprendre à vivre ensemble. Par conséquent, l'Europe qui a tant fait pour l'éducation pourrait dans ce domaine, me semble-t-il, donner à chacun par ce système d'éducation la possibilité de mieux se connaître, de prendre confiance en soi-même et donc face aux aléas de la vie professionnelle comme aux autres aléas, d'être plus fort. Le rapport de la Commission Internationale de l'UNESCO, que j'ai présidée, s'intitule : "L'éducation, un trésor est caché dedans" ; ceci signifie que le trésor, il est aussi en chacun d'entre nous. Or si le système éducatif pouvait devenir moins élitiste et permettre à chacun d'exprimer ses potentialités, peut-être l'homme ou la femme d'Europe serait mieux armé demain pour faire face aux mutations dont j'ai parlé, et je n'ai parlé que des mutations économiques et technologiques et non des autres mutations sociales.

Deuxième question que je mets au coeur de la réflexion : un nouvel équilibre entre sécurité et flexibilité. On a même eu du mal dans notre séminaire à ne pas antagoniser flexibilité et sécurité.

Or il est vrai que si la flexibilité ne s'impose pas pour des raisons doctrinales ou idéologiques, mais en raison des transformations constantes induites par la globalisation, le progrès technique, les changements de goût des consommateurs, les nouveaux services, elle sera d'autant mieux acceptée, que le capital éducatif sera plus grand, mais aussi qu'un nouveau cadre de sécurité sera donné aux travailleurs. Et j'ai cité par exemple tout à l'heure ce contrat d'activité, j'aurais pu parler aussi du chèque-éducation qui permettrait de tirer sur une banque du temps pour retourner à l'école, en formation.

Et enfin, sans doute, le modèle de développement que nous avons connu au moment des Trente Glorieuses est-il derrière nous. Mais il y a trois paramètres essentiels à mon avis qui bouleversent la donne: le temps, l'environnement et les nouveaux besoins de la société.

Le temps: quelqu'un qui avait la chance de travailler tout au long de sa vie au lendemain de la guerre y consacrait 100000 heures, il y consacre actuellement 70000 heures. Et sans doute vers l'an 2010 - 2020, 45000 heures.

Question : est-ce qu'on laisse faire cette évolution qui trouble beaucoup de gens, qui empêche certains de rentrer sur le marché du travail, ou est-ce qu'on la pense en termes d'organisation sociale et de style de vie, est-ce qu'on l'organise ? Est-ce qu'on pense à une société dans laquelle le travail n'est plus la part qui accapare le plus de votre vie hors sommeil ? Est-ce que l'on donne à chacun la possibilité d'utiliser le temps de non travail contraint pour créer, pour s'épanouir, pour vivre ? Certains qui sont partisans du tout marché disent: "laissez faire, la société s'adaptera". Ce n'est pas mon avis. Il me semble qu'il faut au moins poser le problème à la société.

Deuxième élément : l'environnement. Inutile d'insister. Nous en restons toujours au même point. On parle beaucoup du coût du travail et le Président Jacques Santer l'a encore évoqué hier. Le coût du travail pour les emplois non qualifiés, je dis bien non qualifiés, est trop cher en Europe. On ne va pas baisser les salaires, mais le coût indirect est très élevé. Et pendant ce temps, nous ne prélevons aucun impôt sur tous ceux qui gaspillent l'environnement et qui nous privent demain d'un air pur, de possibilités de vivre et qui vont transmettre aux nouvelles générations un environnement défectueux. Et c'est pour cela que le passage, le trade-off entre plus d'impôt sur l'environnement et moins d'impôt sur le travail reste, comme l'indiquait le Livre Blanc, et comme en sont persuadés beaucoup de nos hommes politiques, une solution. Encore faut-il avoir le courage de la mettre en oeuvre.

Et enfin les nouveaux besoins. Ces nouveaux besoins résultent de ce qui a été dit précédemment : plus de temps pour le travail non contraint, un tissu social qui a tendance à se détériorer avec l'exclusion, avec le "métro-boulot-dodo", l'urbanisation ...

Ces nouveaux besoins, le marché les exprime-t-il totalement ? Ma réponse est non. Et d'ailleurs il suffit de voir l'inventivité, l'esprit d'innovation dans la vie associative des individus, les expériences multiples que la Commission recense en ce moment pour se rendre compte qu'il y a là non seulement des besoins à satisfaire pour régénérer le tissu social, mais également de nombreux gisements d'emploi. Il me semble que dès aujourd'hui nous devons réfléchir à ces nouvelles pistes.

Par conséquent, il s'agit bien d'une urgence intellectuelle et politique, une responsabilité des générations au pouvoir. Nous ne pouvons pas ignorer la contrainte qui pèse sur l'Europe, le défi de la globalisation et du progrès technique; l'ignorer, en diminuer l'intensité, ce serait trahir nos responsabilités et notre devoir. Mais allons nous le faire au détriment du lien social, de l'équilibre de la société? Non. Et c'est là qu'il faudra faire appel non seulement à notre intelligence, à tous les chercheurs, à l'innovation mais aussi au courage politique de tous les acteurs.

Je vous remercie de votre attention.

APPENDICE N°5

Speech by Mr Jean-Claude JUNCKER Prime Minister of the Grand Duchy of Luxembourg

Monsieur le Premier Ministre, cher Président Delors, Madame la Ministre, chère Vasso, Messieurs les Ministres, Mesdames et Messieurs les Ambassadeurs, Mesdames et Messieurs les députés, Monseigneur l'Archevêque, Mesdames, Messieurs. Si vous êtes confronté à une situation qui fait que vous devez évoluer sous l'égide de votre ancien Premier Ministre alors que vous êtes un de ses jeunes successeurs et que vous devez parler en présence de quelqu'un que vous avez toujours ressenti comme faisant partie d'un groupe infime de ceux qu'on pourrait appeler vos maîtres, je parle de Jacques Delors, vous êtes confronté à un embarras duquel vous ne sortez que très difficilement. Soit vous demandez à quelqu'un de préparer un discours qui tienne la route, soit vous faites le choix inverse, vous écoutez ceux qui vous précèdent à la tribune et vous essayez non pas de faire aussi bien qu'eux mais au moins de faire écho à leurs propos. Je dois dire que j'avais fait un choix certes judicieux mais pas très utile parce que j'avais demandé à ce qu'on me prépare un discours. Mais en écoutant Monsieur Delors j'ai cru comprendre que le discours ne s'inscrivait pas totalement dans la mouvance du sien. Par conséquent je me suis résigné à un comportement plus normal et je voudrais vous livrer un certain nombre de réflexions que m'ont inspirés ses propos et apporter des réponses partielles à des problèmes dont j'ai pu apprendre qu'ils ont été évoqués au cours de cette journée et au cours de ce séminaire. Après avoir dit que je suis reconnaissant au Président Delors et à tous ceux qui l'ont assisté d'avoir choisi la capitale luxembourgeoise comme lieu de rencontre. Lorsque nous avons ensemble déterminé le sujet qui devait irriguer ce séminaire et lorsque nous avons pensé qu'une réflexion sur le système des relations industrielles en Europe serait un choix qui conviendrait au goût de l'époque, nous ne savions pas encore que le sommet d'Amsterdam, sous la brillante égide de nos amis néerlandais, en fait aboutirait à la décision de convoquer à Luxembourg un sommet spécial sur l'emploi. Nous fûmes d'ailleurs plusieurs, non pas gênés par cette perspective, mais interloqués par tant de hardiesse qui soudain commençait à animer les débats des décideurs européens qui pensaient que la rencontre d'une journée durant pourrait apporter des réponses à toutes les questions dont certaines n'ont encore jamais été posées en Europe.

Lorsque vous observez l'Europe de loin, lorsque vous l'observez de New York ou de Buenos Aires ou à partir de Pékin, lorsque vous vous déplacez à travers ces pays et que vous pensez à l'Europe, vous vous apercevez mieux de la spécificité de l'Europe que si vous la vivez au quotidien. Lorsque vous la regardez de loin, vous tombez sous le charme du modèle social européen. Vous lui découvrez une spécificité que vous ne découvrez plus lorsque vous vous rapprochez du modèle pour le vivre, pour le travailler, pour le façonner, pour le penser.

Vue de loin, l'Europe se distingue par un ensemble politique fait de coeur, de rêves, de solides réalités qui conjuguent leurs talents et leurs énergies pour doter ce continent d'un véritable contrat social dont les autres parties du monde ne disposent pas ou disposent dans une mesure strictement inférieure à la nôtre. Vous vous apercevez que ce contrat social en fait a su nouer à travers son existence plus que centenaire d'innombrables liens qui lient les européens entre eux, qui conjuguent dans un même mouvement vers l'avenir les différentes couches de la population européenne. Vous sentez qu'en Europe il y a des mystères que d'autres n'arrivent pas à comprendre et que très souvent ils ne font qu'admirer. Et lorsque vous rentrez en Europe, lorsque vous recommencez à discuter avec ceux qui ont une envie incessante de vouloir discuter avec vous et dont certains sont présents ici - je parle de mes amis syndicalistes luxembourgeois - lorsque vous discutez avec les organisations patronales, lorsque vous discutez dans l'enceinte intime d'un conseil des Ministres, lorsque vous arrivez à dialoguer avec vous même ce qui, semble-t-il, m'arrive assez souvent lorsque je dois faire des arbitrages difficiles entre mon Ministre des finances et mon Ministre du travail, lorsque vous retrouvez toutes ces réalités parfois contradictoires, le charme quitte l'ensemble européen et vous êtes devant le constat, très réaliste à mes yeux, que ce contrat social, ce lien contractuel qui lie les Européens entre eux est en train de se rompre.

Je crois qu'il y a une réelle menace de rupture du contrat social qui lie les Européens, forts de leur empirisme du passé et anxieux des problèmes que l'avenir est en train de dresser à l'horizon. Pourquoi est-ce qu'il y a ce sentiment très répandu et cette réalité perceptible du lien contractuel et du contrat social rompus? Je crois que cela est surtout dû au fait que nous n'arrivons plus à maîtriser un des éléments moteurs de toute société, qu'elle fût moderne ou ancienne, le travail, la perception du travail, la conception du travail, la réalité du travail. Le sentiment que le travail vous donne la dignité, que le travail constitue le seul canal qui vous permet d'évoluer dans la société comme un poisson dans l'eau. Nous avons insuffisamment consacré d'efforts de réflexion à la question de savoir si le travail aujourd'hui et demain est vraiment le seul moyen qui vous permette de vous sentir à l'aise dans la société, dans votre pays, sur votre continent. Il faudra qu'en Europe nous parlions et discussions du chômage, des remèdes nationaux et européens que nous pouvons dégager pour venir à bout de ce terrible fléau.

C'est très probablement ce constat d'évidence qui ont amené ceux qui l'ont proposé et ceux qui l'ont accepté à convoquer pour le mois de novembre un conseil européen spécial consacré aux problèmes de l'emploi. Puisque ce lien contractuel est en passe de rupture parce qu'il est menacé par le chômage et parce qu'il est menacé par la non maîtrise de l'avenir de nos systèmes de financement de sécurité sociale, il faudra, telle est ma conviction, se tourner vers les lieux d'où jaillissent des réponses plus solides que celles qui émaneraient des seules enceintes nationales, donc vers l'Europe. Nous voyons déjà les dérapages d'analyse et d'action qui résultent du fait que sur ce point comme sur bien d'autres nous avons un déficit d'Europe. Nous nous lançons dans tous les pays, à l'exception notable du Luxembourg dans une dérégulation frénétique. Nous pensons avoir trouvé la réponse à tous nos maux en accusant les vertus qui sont les nôtres de tout un ensemble de défauts que ces vertus n'ont pas. Je ne pense pas que la réponse au chômage de masse consiste dans la mise en pièce du droit du travail.

Je ne crois pas que l'attentat irréfléchi sur les acquis sociaux puisse être le remède qui nous permettra de venir à bout des problèmes que nous connaissons et des problèmes qui nous guettent déjà. Je crois que ce dérapage de la dérégulation qui est un attentat contre la confiance de ceux qui croient encore ici comme hors d'Europe dans les vertus du modèle social nous a enfoncé dans une dynamique qui fait tout, sauf créer de l'emploi. Je ne plaide pas contre l'élimination des rigidités qui peuvent exister dans nos systèmes sociaux ou qui peuvent exister sur nos différents marchés de travail. Mon propos n'est pas celui-là. Mais je plaide contre cette philosophie sans nuances qui croit que la destruction sociale en fait puisse inspirer aux Européens des motifs qui leur permettraient d'envisager leur avenir avec plus d'optimisme qu'ils ne le font à l'heure actuelle. Si nous voulons sauver le modèle européen, bien sûr que nous devons l'adapter, que nous devons lui apporter un autre relief après avoir essayé de façonner ce modèle européen pour qu'il corresponde aux paysages qui sont les nôtres. Au lieu de déréglementer, de déréguler, de flexibiliser à outrance sans chercher le pont, le lien avec les marchés de l'emploi, je crois qu'il faudrait que nous nous posions collectivement la question de savoir si oui ou non nous avons les moyens de sauver le modèle européen, de maintenir sa noblesse, ses vertus qui font de lui qu'il dégage vers l'extérieur une batterie de charme et de tendresse qui nous n'arrivons plus à goûter lorsque nous le vivons de l'intérieur.

Je crois qu'en Europe nous avons les moyens de sauver le modèle social après l'avoir adapté mais que nous n'avons pas les ambitions qui nous permettraient d'utiliser les moyens que nous avons. On dit très souvent nous n'avons pas les moyens de nos ambitions. En Europe nous avons les moyens mais nous n'avons pas les ambitions. C'est ce qui distingue ce dicton de la vie ordinaire, de la vie extraordinaire de l'Europe. Tous les instruments dont nous pouvons avoir besoin pour construire à nouveau ce modèle social européen, nous en disposons.

Ceux qui nous ont précédés dans la gestion des affaires publiques, Monsieur Werner étant un de ceux qui se sont couverts d'honneur, de mérite et de performance à cet égard, nous ont laissé tout un système de règles qui en fait reflètent tout un système de valeurs. Parce que nous avons les moyens et parce que nous ne les utilisons pas, car nous sommes en manque d'ambition, nous sommes devenus incapables de performance qui se comparerait utilement aux performances combien faiblissantes de

ceux qu'on a voulu décrire comme les puissances émergentes ou les tigres. Je constate non pas avec plaisir mais non pas avec amertume non plus que les tigres sont en train de perdre leur dents. Et je plains tous ceux qui ne cessaient de nous expliquer que nous n'avions qu'à regarder le savoir-faire des Asiatiques, que nous n'avions qu'à nous inspirer du modèle socio-asiatique, qui pour le reste n'existe pas, pour trouver la clé des portes qui nous seraient désormais fermées. Je plains tous ceux qui ne pourront plus dire qu'il faudra faire au Luxembourg, en Belgique, en Allemagne, en France, en Grèce, partout la même politique que celle qu'ont faite les Thaïlandais, les Indonésiens et d'autres. Je constate que dans l'opinion publique publiée à travers l'Europe dans les médias on a beaucoup insulté le modèle européen au cours des années écoulées en le comparant à son désavantage au modèle asiatique. Mais je ne vois pas aujourd'hui les grandes signatures qui décriraient avec la même verve les modèles asiatiques alors que ceux-ci sont en train de prouver que pour une bonne partie ils étaient faits d'artificiel et de provisoire.

Cette façon de ne plus pouvoir être performant pour ne plus avoir les ambitions que nos moyens nous permettraient d'avoir, a en fait conduit l'Europe, les différents pays d'Europe, beaucoup d'Européens à une véritable crise de confiance lorsqu'ils pensent à l'avenir. C'est une thèse, je sais bien qu'il y a des contre-éléments qui peuvent être alignés, je prétends que la crise économique, le faible rétablissement conjoncturel qui est actuellement le nôtre, est le résultat de la crise de confiance. Et la crise de confiance n'est pas le résultat de la crise économique. Je crois que les Européens, à un certain moment de leur Histoire mouvementée, ont cessé de rêver, ont abandonné l'idée que l'avenir leur appartiendrait, n'ont plus les forces pour garder la fidélité aux ambitions sur lesquelles ils se sont mis d'accord. Je prendrai deux exemples, et surtout un exemple: l'Union Economique et Monétaire, qui est la grande dernière ambition des Européens pour ce siècle. Pourquoi cette Union Monétaire ne permet-elle pas de conduire aux mêmes effets d'anticipation qui ont caractérisé le marché intérieur que Jacques Delors a réinventé tout en l'enrichissant ? Pourquoi est-ce que nous sommes à quelques mois des échéances finales devant une réalité qui ne nous apparaît pas comme une perspective mais comme un horizon sombre, noir, qui nous tire plus vers le bas qu'il nous élèverait vers le haut? C'est que nous ne savons pas rester fidèles aux ambitions sur lesquelles nous nous sommes mis d'accord. C'est que vous arrivez facilement à occuper les meilleurs temps d'antenne et les premières pages des journaux lorsque vous remettez en doute et en question les ambitions sur lesquels nous nous sommes mis d'accord.

C'est qu'aujourd'hui vous avez l'air bête si vous êtes fidèle, et intelligent si vous découchez politiquement. Donc si vous dites aujourd'hui que nous nous sommes mis d'accord sur un calendrier, sur une méthode, sur une perspective, vous avez l'air d'un retardé alors que les avancés sont ceux qui remettent en cause une des grandes décisions dont l'Europe fut capable au cours des dix dernières années. Mais cette façon de présenter quelque chose qui à mes yeux est une certitude, parce qu'elle est une nécessité, de présenter ces certitudes et nécessités comme des perspectives qui s'éloignent, au niveau du plus humble des investisseurs, a secrété une énorme crise de confiance qui fait que nous avons un véritable blocage d'investissement au sein de l'Union Européenne. Ce blocage est dû au fait que cette perspective monétaire n'est pas suffisamment éclaircie, au fait que beaucoup d'hommes et de femmes sont sans travail, au fait que des dizaines de millions d'hommes et de femmes craignent d'être sans travail demain, combiné avec cette crise de confiance qui a pu prendre forme, faute d'une perspective monétaire crédible et que nous devons recréabiliser. Nous avons non seulement une crise de l'investissement mais nous avons également une crise de la consommation puisque tous ceux qui ont peur de l'avenir ne vont pas se lancer dans une consommation qui leur paraîtrait futile parce que non dirigée vers l'avenir mais vont développer des réflexes ultra conservateurs parce qu'ils ont entamé une fuite vers l'épargne, une épargne qui dort, qui n'est pas utilisée pour pouvoir alimenter les investissements qui d'ailleurs font défaut parce qu'il y a cet assombrissement de toutes les perspectives macro économiques de l'Union Européenne et cette croyance faiblissante dans l'avenir monétaire bien articulé de l'Europe. Et donc si cette Présidence luxembourgeoise, puisque c'est de celle là que je parle, veut se draper d'un certain nombre de succès avant la fin de l'année - et les succès ne sont pas une fin en soi puisque les succès qui sont une fin en soi ne sont pas faits pour perdurer - si cette Présidence devait avoir un succès durable, il faudrait que nous arrivions à bout de trois problèmes qui en fait ne sont que différentes facettes d'une même médaille.

Il y a comme cela un triptyque dont j'ai toujours du mal à convaincre tous ceux qui m'écoutent entre l'Union Monétaire, le sommet pour l'emploi et la perspective de l'élargissement. Si avant la fin de l'année nous arrivions à crédibiliser aux yeux de tous la perspective monétaire (ce qui présupposerait que les Ministres des finances prennent refuge dans un silence monétaire prolongé et vous allez voir que, lorsque j'aurai fini de présider la réunion informelle des Ministres des finances, je serai le premier à ne pas pouvoir me taire, donc je fais de l'autocritique par anticipation) et si au cours de ce semestre qui nous reste, nous arrivions à baliser d'une façon définitive les avenues qui doivent nous mener vers l'UEM, si nous pouvions faire en sorte qu'un véritable changement d'atmosphère prenne place en Europe parce que nous aurions pu redonner de l'espoir à ceux qui sont sans travail et à tous ceux qui craignent de devoir rejoindre leur rang demain, si nous pouvions, avant la fin de l'année, décrire le chemin de l'Europe pour la première décennie du prochain siècle, c'est-à-dire prendre une bonne décision en matière d'élargissement qui soit une décision historique de coeur mais qui soit aussi une question économique et qui donc intéresse les marchés de l'emploi, nous aurions en tant que Présidence luxembourgeoise, mais de concert avec tous nos amis, fait le maximum des efforts qui aujourd'hui peuvent être attendus de ceux qui pour un moment de leur histoire ont la chance énorme de pouvoir diriger en des lieux privilégiés les destinées de l'Europe. Je crois donc que l'UEM demande à être recrédibilisée. Nous devrions redécouvrir les instruments dont nous disposons, je suis acculé à la perspective du très court terme: devoir arbitrer une querelle qui n'a pas lieu d'être entre ceux qui voudraient que nos politiques économiques soient mieux coordonnées et ceux qui pensent que cette coordination n'a pas lieu d'être alors que le Traité de Maastricht en ses articles 102A et 103 donne les instruments pour mieux coordonner les politiques en Europe. En plus, nous savons le prix sur les 5, 6 dernières années d'une absence d'une politique suffisamment coordonnée en Europe. Combien de chômeurs aurions nous en moins si nous avions mieux et plus coordonné nos politiques économiques? Alors on me dit souvent qu'une meilleure coordination des politiques économiques a un coût alors que ce n'est pas vrai. Elle a un prix, le prix de l'effort, mais elle est à même de réaliser un énorme gain en terme de coûts, parce qu'elle sera autrement moins dépensière que son absence ne l'est actuellement. On ne peut pas entraîner 7, 8, 9, 10, 11 monnaies dans une Union Monétaire et entraîner en les entraînant 7, 8, 9, 10, 11 peuples et donc destinées nationales en pensant pouvoir réduire le spectre de cette ambition à sa seule expression monétaire. Faut-il rappeler que le Traité ne parle pas d'Union monétaire mais qu'il parle d'Union Economique et Monétaire, voulant dire par là que si la politique monétaire pour des raisons évidentes doit être unique, les politiques économiques au moins doivent être d'intérêt commun. Pour organiser la politique monétaire unique, le Traité a tout mis en place. Pour organiser l'intérêt commun que doivent revêtir les politiques économiques nationales, le Traité a été moins détaillé mais suffisamment solide dans ses différentes articulations pour que nous puissions trouver tous les instruments dont nous avons besoin dans l'arsenal législatif que nous a laissé le Traité de Maastricht. Alors utilisons les grandes orientations économiques que le Conseil Européen et le Conseil ECOFIN peuvent décréter pour mieux accorder nos violons économiques.

Discutons, même si cela doit être informellement, de nos différentes politiques budgétaires nationales, pour voir si oui ou non nous sommes en train de mettre en place dans nos différents pays des politiques antinomiques ou des politiques complémentaires.

Vérifions si nous sommes bien d'accord sur la façon dont il convient de mieux armer l'Europe pour affronter les marchés nationaux alors que le problème véritable pour la croissance européenne n'est pas sur les marchés hors d'Europe, c'est encore une de ces dérives auxquelles les pensées uniques oecuméniquement rassemblées nous ont conduits. L'Europe sur les vingt dernières années n'a pas perdu de part de marché à travers le monde et l'essentiel de nos ressorts de croissance se trouve toujours concentré à l'intérieur de l'Union Européenne, 60% du commerce extérieur est intra-communautaire. Si nous poursuivons le parachèvement du marché intérieur, nous nous doterons de ressorts de croissance qui dépassent en portée et en importance et de très loin les bribes de richesses supplémentaires que nous pourrions récolter ailleurs que sur le seul continent européen. Utilisons donc nos instruments mais vérifions d'abord si nous avons toujours la même ambition. Si nous avons les mêmes ambitions sociales pour l'Europe, nous devons mieux coordonner nos politiques économiques, si nous ne voulons pas restreindre la perspective monétaire à sa seule expression monétaire; coordonnons nos économies pour mieux armer l'Union Monétaire, pour faire en sorte que cette Union

Monétaire ne soit pas une fin en soi mais qu'elle nous permette de mieux nous affirmer sur la scène internationale et de mieux pouvoir enrichir en les traversant par ses différents bienfaits les sociétés que renferment l'Union Européenne. Crédibilisons donc, avec les instruments qui sont les nôtres et que nous avons mal et peu utilisés au cours des années écoulées, l'Union Monétaire. Et faisons de ce sommet pour l'emploi non pas un grand cirque, un show pour les médias, je me sens parfaitement en mesure de le faire mais je ne crois pas - j'ai du mal à interpréter ces rires qui auraient pu être plus éloquentes - ne disons pas lors de ce sommet sur l'emploi que le chômage est un énorme problème, ne prenons pas refuge derrière les chiffres pour nous rabattre le oreilles avec la répétition du constat arithmétique que nous connaissons, que nous sommes à l'intérieur de l'Europe qui reste riche, une minorité qui n'en est plus une de 20 millions d'hommes et de femmes qui ne font plus vraiment partie de l'Union Européenne. Ce 16ème Etat membre dont un jour j'avais parlé. 20 millions d'hommes et de femmes, si nous devions prendre le Luxembourg comme point de référence et de comparaison ça ferait même plus qu'un 16ème Etat membre, et Jean-Luc, si je prends la Belgique, 20 millions ça fait deux fois la Belgique. Ça montre pour le reste le caractère énorme du problème, du chagrin et du désespoir finalement qui est celui de ces exclus, de ce 16ème Etat membre qui n'est composé que d'exclus. Faisons pour une fois du travail concret. Nous ne sommes pas prêts en tant que gouvernement luxembourgeois et d'autres, comme mon ami Ad Melkert, le Ministre du Travail néerlandais, m'en empêcheraient très certainement, d'enrichir la vaste littérature européenne par d'autres poèmes qui en fait n'ajouteraient aucune nouvelle dimension aux volumes existants.

Nous avons parlé de l'emploi à de très nombreuses reprises, parfois nous avons des débats importants qui se sont soldés par des résultats palpables. Je veux parler puisque les deux sont ici du Conseil Européen de 1993 à Bruxelles où nous avons adopté sous la Présidence de Jean-Luc Dehaene toutes les conclusions du Livre Blanc et sans nuances. Or nous avons eu la faiblesse de ne pas traduire avec la même élégance et la même rapidité dans les faits les préceptes sur lesquels finalement déjà nous nous étions mis d'accord en décembre 1993, je dis 1993 parce que Jean-Luc n'était pas le seul mais parce que Jacques Delors était également présent et qu'il a vécu à Bruxelles une longue période de sa vie résistant aux néologismes dont la langue belge a enrichi celle des Français.

Notre intention est d'adopter des lignes directrices en la matière et pourquoi est-ce que nous défendons avec un acharnement grandissant puisqu'on le refuse par endroit ce concept ? Il y a dans le Traité de Maastricht les critères de convergence. Ô ces critères de convergences n'ont pas rendu l'Europe populaire mais ces critères de convergence ont été efficaces parce que ces critères nous ont permis de mettre en place une dynamique qui s'est dépassée elle-même. Parce que ces critères de convergence, leur liturgie, leur rituel, leur approfondissement dans le concret nous ont permis de réaliser en Europe de remarquables progrès en matière de convergence économique. Sans ce Traité il y aurait plus d'inflation, sans ce Traité il y aurait des taux d'intérêt plus élevés, sans ce Traité et ces critères de convergence, il y aurait des déficits autrement plus énormes que ceux dont nous pouvons nous draper à l'heure où nous sommes. Ce que nous voudrions, ce n'est pas de copier les critères de convergence avec tout leur cortège de sanctions et de mises en garde, mais nous voudrions pouvoir copier la méthode. L'Europe est faite de méthodes et d'institutions. A part les méthodes et les institutions il y a les discours mais les discours sans méthodes et sans institutions sont des discours qui n'aboutissent pas à des résultats palpables à l'échelle du continent. Donnons nous quelques lignes directrices, essayons de les formuler de façon à ce que nous puissions arriver à les quantifier et comportons nous de façon à devoir vérifier périodiquement, année après année leur application. Obligeons nous nous-mêmes, obligeons le Conseil Européen, le Conseil de l'Economie et des Finances, le Conseil des Ministres du Travail et des Affaires sociales à revisiter les lignes directrices dont nous nous serions dotés lors du sommet spécial pour l'emploi et incluons ces lignes directrices, leurs critères, leurs objectifs, leurs finalités dans les grandes orientations économiques. Enrichissons la pensée économique européenne par le minimum social dont l'Europe a cruellement besoin. Essayons avec ces instruments de nous rapprocher davantage de cette ambition que nous avons perdue mais que Jacques Delors tout à l'heure a décrite, essayons de remarier l'économique et le social, qui ne s'aiment plus et qui se sont tellement aimés au cours des dernières décennies. Il n'y a pas d'antinomie entre l'économique et le social, les deux sont complémentaires et les deux, s'ils devaient pouvoir fêter les retrouvailles dont tous deux ont en fait besoin, permettraient à l'Europe de pouvoir démontrer aux Européens eux-mêmes que ce

contrat social et ce lien social existe toujours.

Et ce lien existera à la seule et unique condition que l'économique et le social arrivent à se réconcilier. J'ai beaucoup lu Delors et souvent je l'ai écouté et une des formules que j'ai apprécié le plus parmi tant d'autres est celle qui dit que l'Europe en fait est l'enfant terrible, né du mariage entre démocrates chrétiens et socialistes. Tu l'as très probablement oublié. Je ne le dis pas parce que je suis démocrate chrétien, je le dis parce que j'ai beaucoup d'amour pour les socialistes. C'est une autre façon de dire que le mariage entre l'économique et le social est nécessaire pour que l'Europe se trouve en harmonie avec elle-même, avec son passé, avec les rêves que le passé nous autorise à avoir pour les temps à venir. Essayons de voir comment nous pouvons les uns et les autres apprendre. Essayons de mettre en oeuvre ce que dans un terme franglais pour lequel je dois m'excuser auprès de ceux qui ont une approche orthodoxe à l'égard et à l'envers de la langue française, on nomme des "best practices", des meilleures pratiques, regardons dans le modèle danois par exemple quels sont les enseignements qui s'imposent de toute évidence à tous les autres.

Essayons d'appréhender une partie de l'avenir comme nous pouvons faire en copiant, en imitant, en nous inspirant des modèles des autres, comment nous pouvons faire pour répondre à ce défi dont nous savons qu'il nous guette. Le défi du changement technologique en essayant d'inclure dans nos champs de réflexion puisque Jacques Delors a parlé de l'éducation, la formation permanente tout au long d'une vie, qui doit être non seulement une chance pour tous mais un droit pour tous. S'il est vrai que 80% des technologies aujourd'hui appliquées auront disparu d'ici dix ans et ce constat me semble devoir se vérifier au cours de la décennie à venir, faisons en sorte que ceux qui aujourd'hui occupent un emploi qui demain très certainement aura disparu, faisons en sorte qu'ils se retrouvent dans une situation d'ici dix années qui leur permette de prendre un autre emploi. Inventons une nouvelle réalité qui aura pour conséquence que la perte de l'emploi ne sera plus ressentie comme une catastrophe individuelle pour celui qui est frappé par la perte de l'emploi. Mais faisons en sorte que si perte de l'emploi il devait y avoir, le profil de celui qui serait frappé par la perte de cet emploi porte en lui-même tous les moyens dont il aura besoin pour pouvoir se réintégrer sur le marché de l'emploi. Si nous arrivons à nous mettre d'accord sur une dizaine de bonnes pratiques qui ont démontré ailleurs qu'elles ont eu du succès, si nous arrivons à nous mettre d'accord sur une bonne dizaine de lignes directrices qui changeront l'atmosphère parce que nos politiques de l'emploi seront devenues plus actives au lieu de sombrer dans la paresse passive qui aujourd'hui caractérise un certain nombre de nos politiques de l'emploi, si en même temps nous devons arriver à pouvoir crédibiliser ce changement d'atmosphère en lui apportant les moyens financiers dont ses ambitions ont besoin pour avoir des jambes, je crois qu'alors nous aurons pu non seulement changer l'atmosphère mais aussi changer la perspective de ceux qui nous observent. Je ne plaide pas pour des moyens budgétaires communautaires ou nationaux supplémentaires, je plaide pour que nous mettions nos ambitions au service des moyens dont nous disposons.

Nous disposons de la Banque Européenne d'investissement, de toutes ses possibilités, de toutes ses excavations, de toutes les poches qui n'ont pas été explorées au cours des années écoulées. Nous avons dans le budget communautaire des endroits très souvent cachés où l'argent dormant ne fait rien pour être mobilisé en direction des marchés de l'emploi. Nous pouvons même mon cher Ministre de l'Agriculture trouver de l'argent hors FEOGA garantie ou hors FEOGA orientation, j'ai vu l'énorme apport pour l'assainissement budgétaire que les Ministres de l'Agriculture ont apporté au cours de la réunion echnernacienne. Si donc en additionnant la crédibilité dont nous devons redoter et avant la fin de l'année l'Union Monétaire, si en changeant d'atmosphère la réalité quotidienne de beaucoup d'hommes et de femmes en Europe se trouve modifiée, en adoptant des lignes directrices concrètes qui auront pour conséquence des politiques pour l'emploi plus actives et donc plus porteuses pour l'avenir, plus génératrices d'emploi.

Si nous pouvions mettre en branle tous les instruments dont dispose la Banque Européenne d'Investissement et si avant la fin de l'année nous pouvions nous mettre d'accord sur les principes directeurs de l'élargissement en donnant aux Européens, aux travailleurs, aux entreprises, à tous la perspective de nouveaux marchés et maîtrisables, nous pouvons peut-être avant que ce siècle ne se

couche redonner l'espoir aux Européens. Je ne le dis pas parce que je voudrais que les attentes dans ce sommet emploi soient surfaites. J'ai horreur des attentes auxquelles on ne saura répondre et j'ai horreur de cette approche restrictive des responsabilités qui voudrait que la seule Présidence luxembourgeoise serait en charge de cet important dossier de l'emploi. Mais il est vrai que le gouvernement de ce pays a entre ses mains un certain nombre de réponses que les Européens peuvent attendre et parfois je trouve émouvante l'idée que peut-être nous aurions pu être parmi ceux qui auront alors que tout le monde le pensait perdu, qui auront pu réhabiliter le modèle social qui n'est pas mort et qui n'a pas lieu de mourir.

Je vous remercie de votre attention.