



PREPARATORY SEMINAR

**EUROPE AND GLOBALISATION: ECONOMIC DEVELOPMENT AND
EMPLOYMENT**

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IN THE FRAMEWORK OF THE NINTH LASAIRE BIENNIAL

EUROPE WORK EMPLOYMENT

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FOREWORD

Globalisation versus the European social model – a fatal confrontation? How can we control globalisation? What should Europe do to be a major player in the social and environmental regulation of globalisation? These were the issues raised during the opening of the 8th biennial in January 2005 in Lyons. The failure of the constitutional treaty has not in any way detracted from their pertinence. Far from it. The aim is to take up these issues again during the 9th Lasaire biennial. Responsible globalisation will be the main subject for discussion at the international Forum in Lyons which is due to open on 24 October 2006.

Europe has the necessary clout to influence the course of globalisation. The European Union is by far the most important commercial power in the world representing 20% of total worldwide trade. The USA represents 18% and Japan 10%. The EU is consequently an economic superpower with a GDP higher than that of the United States. Even in the Bretton Woods institutions, among the decision-making institutions, the European countries have more votes than the USA – 29% compared to 18%.

Furthermore, it has a more robust social tradition compared to any other region in the world. The precise limitations of the European social model could be pointed out but everyone is in agreement about some of the major values on which it is based: collective negotiating systems based on the recognition and involvement of both sides of industry in the economic and social sphere, social protection systems based on the dual principle of solidarity and social cohesion, general interest services which ensure equal access to all public, health, transport and education services.

Is this European social heritage still being promoted or even defended vis-à-vis the advances made by globalisation? Does the double negative given to the constitutional treaty change any aspects of this problem? The questions of rewards for the efforts and changes demanded from in particular the working population is becoming purely rhetorical.

Overview and context: the revival of Europe and globalisation, demographic perspectives and immigration

Each of the Lasaire biennials have taken place after a major European event. The ninth edition will be opening against a highly agitated backdrop, 18 months after the failure to ratify the constitutional treaty.

After having launched enlargement like an unstable vessel without first having installed stabilisers which would have provided guidance and the political institutions to organise cooperation between the various players, the European Union entered calmer waters. The peoples of Europe decided to put a stop to this leak by blocking the process beforehand. The non-ratification of the treaty in France and in the Netherlands has highlighted the unease of the people faced with a process which had developed far from them and outside their control and, moreover, in a disorganised and erratic manner – encouraging competition between countries, lack of cooperation between member states, increased fiscal competition, an attitude of *laissez-faire* faced with the disappearance of European crown jewels such as Arcelor, BCE all appeared to be hell-bent on stifling growth.

In such a context, how do we approach European integration? How can the European Union find a new impetus? What role should the social actors play? These are the types of issues that will be raised during the 9th biennial. These discussions will take place against a backdrop of the increasing spread of globalisation and the failure to balance the distribution of wealth between north and south. Inequality is on the increase and has inevitably led to the growth of immigration in Europe.

OVERVIEW

In such a context, how do we give a new impetus to the European mechanism? With regard to this issue, the viewpoint expressed by Lasaire since the previous biennial meetings is more than ever on the agenda. It takes support from the Euro zone which has, as far as Lasaire is concerned, always represented the structural and constitutive basis of European integration. However, the reality of this is hard. The performance of Euroland in economic terms is disappointing with a consistently high level of unemployment. There is a risk of the Euro zone unravelling or in any case becoming diluted. Faced with this genuine threat, during each of our biennial meetings the reasons for these shortcomings have been highlighted. The governance of Euroland should be established on a banking basis whose sole strong element is the European Central Bank which refuses to include full employment as one of its objectives: no real budgetary policy, no coordination of economic policies, a stability and growth pact that makes no concession to deficit and national debt but allows for inflation whose effects on employment remain problematic. The third point of support, social dialogue, which should play a significant role, is not taken into account. The process of Cologne which should have started a tripartite macroeconomic dialogue, does not seem to be working. On the matter of controlling inflation, while the European public authorities asked the trade unions to cooperate in keeping inflation down, which they did, the unions are still awaiting some reciprocal action. The main issue now more than ever is – is wage distribution capable of reviving growth in Europe? And what has this meant for enlargement?

Lastly, there is the demographic issue which complicates the European situation. The countries of the EU are experiencing a decline in their working populations and, in the medium term, an absolute decrease in this area. Of course there are exceptions. France, for example, is approaching demographic balance while the only country in Europe where the birth rate is higher is Ireland. Could the solution be an increase in immigration? Shouldn't Europe be trying to establish a common immigration policy? Is it possible to lay down terms which can reconcile

the inevitable, the desirable and the feasible? Up to what point would demographic rebalancing due to immigration lead to an increase in tensions between native populations and migrants? (c.f. Flanders, the Netherlands and Austria). By what mechanisms could the burden of the wave of immigrants arriving on the shores of southern Europe be shared by all EU countries? Who will take on the task of integrating the new arrivals and the consequence that their presence may have in terms of social dumping, i.e. the general decrease in wages and the reduction of social security contributions to deal with the pressure of the costs incurred by globalisation? While Pakistani welders are employed as cheap labour on the *Chantiers de l'Atlantique*, Poles are reduced to virtual slavery in southern Italy and public works provide employment to illegal immigrants from Mali have awakened the social conscience of Europe, we should not see any reaction as a xenophobic reflex but the fear that these practices will result in a progressive and general decrease in wages without any new controls being put in place.

TERRITORY AS A GROWTH AND DEVELOPMENT FACTOR - INDUSTRIAL POLICY, THE METROPOLIS AND GOVERNANCE

The increase in economic changes in Europe and worldwide and the role and importance of know-how and innovations in competitive processes, are giving shape to the new economy. The organisation of production and research in this knowledge-based economy is based on the increase in interaction between research and industry. What role does territory play in this context? According to Veltz (2002), intelligent combination of resources will make the difference between winners and losers. In a geographic knowledge-based economy, which is more polarised than production geography (Autant, Massard, 2001), territories cannot just continue to exist but may operate in a framework of territorial competition at global level.

The French initiative regarding what is known as ‘poles of competitiveness’ put forward at the end of 2004 fits in with this view. It concerns ‘the combination of training centres and public or private research units in a partnership relationship established in a specific geographic area with the aim of creating synergies for joint, innovative projects, with sufficient critical mass to be recognised internationally’ (DATAR 2004). We are of the opinion that this causes significant anomalies in public policy with regard to territory and to the terms and conditions of action available to both public and private players.

The emergence of a new territory-based industrial policy is based on several elements: taking account of international modifications in competitive processes on the one hand (de-industrialisation as a plausible risk, taking innovation in a strongly polarised French scientific and technological context into consideration), and the importance of territorial planning on the other (the role of the territory in organising activities, whether by cluster, district or SPL). The poles of competitiveness express the new relationship between industrial policy and regional planning policy.

This new step gives rise to a whole range of questions: legitimacy and coherence of the labelling of the 67 poles, national and European merging, governance problems (the role of SMEs, representation of employees, etc.), the role of training and management planning for jobs and skills and the reorganisation of funding.

It also raises a major issue which has hardly been explained: the necessity of working out a genuine economic territorial intelligence, not necessarily sectorial or technological, which is too often used to monitor or control information while the strategic and prospective dimension is actually pivotal.

TRANSPORT AND ENERGY, TERRITORIAL DEVELOPMENT, SOLIDARITY AND COHESION TOOLS

From local to international

The transport of goods, services, people and the circulation of information are the primary factors of globalisation.

For every technological advance in transport, there has been a corresponding phase of increased globalisation.

Nowadays, in the EU transport represents 7% of GNP, 7% of the number of jobs, 40% of investment made by the Member States and 30% of energy consumption.

The demand for transport is strong. EU traffic has increased by 2.3% per year for goods and 3.1% for passengers over the last 20 years. To satisfy this demand, infrastructure and funding requirements are extremely important throughout Europe. Logistic transport networks structure space and directs the flow of transport and is playing an increasingly important role in the operation of this sector. EU regulations nowadays lay down the framework for action of all operators in the sector for all EU members, candidate countries and for some third countries on the borders of the Union. It determines standards for the use of fuels by, for instance, imposing a minimum percentage of bio fuel. At a global level, agreements such as that of Kyoto on greenhouse gases, which is mainly caused by the transport sector, demands structural developments in all modes of transport.

The aim of the seminar is to examine how transport and energy policies are conducted which are at the heart of our way of life as they determine individual travel, access to goods and services and our everyday environment.

Are the public authorities (local, national and European, to the extent that this affects them) taking enough account of the social, economic, environmental issues when it comes to the public service sector?

The right to mobility and the right to a healthy environment are basic human rights which may be contradictory when it comes to unified transport. How can a region, such as the Rhone-Alps region, which is strongly urbanised, industrialised and developed express itself?

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