

## INTRODUCING THE 9TH BIENNIAL

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We have now come to the concluding phase of the ninth session of the Europe Work and Employment biennials. This meeting, which will conclude the cycle of work done by Lasaire, is in our view particularly important. As for myself, I feel rather moved to be here in St Etienne, i.e. in the city that welcomed the first biennial meeting 18 years ago.

When I look back on the first years, I am struck by the unbelievable optimism which prevailed at that time. We were full of hope ... 'Europe needs a mobilising project', said Pierre Héritier at the start of the first biennial in 1990 and then continued: 'Laying down the social scope of our ambitions has become a matter of urgency...the union of the European peoples and their economies represent a worthy project and an unique opportunity'. These were the words spoken by him at the opening. We thought we could push through social standards and by so doing, give sense and credibility to the European project. That was our conviction. Europe could not be built on economic principles alone. It had to breath new life into social negotiations. That was at least the direction of our commitment.

Yet since 1990, from the first biennial, we have noted that the borders of the European area have been rapidly disappearing while social regulations remain stuck within national frontiers. All we had to do, we thought at the time, was to put them at the right level, at European level, i.e. at the level of the new frontiers of the economy. We were inspired by the conviction that Europe under construction would not be content to only be a free exchange zone. On the European continent, social aspects were not the result of the economy but an essential component of it. It was for this reason that we had another ambition, that of setting up a device at EU level which would open up the route to what we referred to as 'a European social model' based on the recognition and appreciation of work<sup>1</sup>. In short, Europe appeared to us to be full of promise at that time...not so long ago.

For a period of 18 years, together with many partners, we have been singing from the same hymn sheet. The biennials were always held at the centre of the various stages in European development and this especially applied to the social dimension:

- Since 1992, during the second biennial, we have based ourselves on the social protocol appended to the Treaty of Maastricht which was the basis of a European law on collective agreements. We have examined the dynamism thus created. Carlo Savoini, the director of social dialogue at the time, did not hesitate in stating that it was in fact inspired by our views and discussions.
- We supported the setting up of European work councils way before the directive was finally adopted in 1994.
- In 1996, at the opening of the fourth biennial, we did not hesitate to proclaim ***Europe will be a social Europe or nothing at all***.

We argued, put forward ideas and reflected on the means to make them more effective and convincing.

We fed our biennials with international comparisons on the systems of social relations, the role of the social actors on the whole socio-productive system, on the types of collective agreements to be negotiated, on the system of training and qualifications for the work force, on systems of

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<sup>1</sup> In 1992, one of our work themes was called the social factor of competitiveness, following the German example.

social protection (health, retirement, unemployment) and on the public services, in each of the countries concerned.

We emphasised and worked on the changes undergone by the application of European regulations in the Member States. At the same time, we followed the progressive rise of the social dialogue as it started to be constructed at European level. The negotiation of collective agreements, firstly inter-professional, then sectorial, then in multinationals. I still remember the enthusiasm of Alain Godard, President of Lasaire at the time, during the fifth biennial, on his return from Germany where he had presided over the first European works council meeting at Hoecht-Aventis.

Our renewed efforts during these years at least enabled us to show what was, according to one of my favourite expressions, European social heritage, the basis of a possible social model for Europe. Most of the West European countries inherited a culture of standards and social regulations which had been put in place over the last 50 years. There are certainly differences between the national systems but they are based on common principles. The countries of eastern Europe also have strong traditions when it comes to social protection. To sum up, this is a heritage, specific to all the countries of Europe, which can be characterised by two main traits – on the one hand, regulations that govern the negotiation of work relations at all levels of the economy and which lay down the standards which provide a framework for the market and, on the other, national structures guaranteeing collective social protection at a high level for all citizens.

This idea of social heritage and the European model, is unfortunately on the retreat. The question now is, what should be in the final report, 18 years later? Certainly not what we had expected.

Over a period of time, it became increasingly apparent that the social dimension was advancing much too slowly compared to the speed of economic exchanges. Even worse, we are currently questioning national systems of collective bargaining while the European area, which could have taken up the baton, remains in the early stages of development. Neo-liberal pressure has been applied over the last few years and especially in those countries which maintain an advanced social model in Europe. I am thinking here of Germany and the Scandinavian countries, countries that based their economic efficiency on the appreciation of work. The German model, the emblem of the social market economy, this fragile balance between the market economy and social justice, does not seem to be going according to plan. We could start with its system of collective bargaining per sector which is based on the high level of qualifications of its workforce. EU law organises competitive procurement of social rights and regulations between Member Countries. Even collective agreements in Sweden are currently under attack from the European Court of Justice.

You will therefore understand that I am seriously concerned about such a development which is so far removed from our ambitions.

Europe is no longer a source of inspiration...at least not at present. On the contrary, future prospects are changing and even reverting. This is evident from the meeting in Boston where we heard economists like Barry Bluestone, during the fifth biennial, or even Lily Razafimbelo, from Madagascar, here in St Etienne two years ago: 'Europe is not sufficiently aware that it represents a model for other regions in the world. The European Union should be a counterweight to the super powers'. In other words, while Europe can no longer be an inspiration, it continues to inspire the rest of the world. Could we perhaps imagine that Europe can emphasis the specific nature of its social model and the diversity of its traditions to inspire the regulation of globalisation?

The challenge for Lasaire is to take into consideration the fact that Europe could still deliver as the expectations are so great. However, we still maintain the conviction that we can still change the way in which Europe is being built and change the direction in which we are going. We note

that Europe serves as a trampoline for the economies of countries which have successively joined the club – Portugal, Ireland and the countries of central and eastern Europe. Nevertheless, we reject the idea of any dilution of the *social market economy* within the European area regulated by standards that are far from social.

We would like to maintain the social heritage of Europe by sharing and by representing, as I just said, the trait that particularly distinguishes other parts of the world. We would like to safeguard this particular European characteristic: that which considers the social dimension as a component of the economy and a factor of competitiveness. Future generations will not forgive us for not having given our best to try and change the course along which we are currently travelling and to preserve what deserves to be safeguarded. They will even be less inclined to forgive the calculated attitudes of retreat and *discouragement*. So we have to act so that politics can take back control over the economy, i.e. reverse the tendency to hand over economic freedoms in the service of man.

There will no doubt be several roads that we could take. One of the ways of replacing current European policy is to get the social actors and employee representatives involved to lay down economic and social policies and to develop collective bargaining within Europe. Nowadays, it is the trade unions that are one of the means of ensuring a certain social democracy for preserving the heritage of the social market economy. This biennial is fully in line with the intention laid down by the European Commission to strengthen the role and place of the social actors so that they can get to grips with the economic issues of social strategies for the future of Europe. Incidentally, the recent proposal put forward by Jean-Claude Juncker, President of the Eurogroup, to hold regular meetings with the social partners gives us cause for optimism and encourages us to continue down this road<sup>2</sup>.

We have reached a turning point, it's now or never. How do we link the pessimism of the intellect to the optimism of the will, to coin a phrase. How up to date Gramsci is! Finding out how to reverse the trend, that is the aim of this biennial and the conviction which we share with our partners. We want and are able to contribute to building a European economy able to meet the challenge of globalisation without in any way denying the ideals of the *social market economy*. All the issues which will be dealt with during this biennial are connected to this concern. It is in this spirit that we are going to work.

The ninth biennial, like the preceding ones, is the result of collective and pluralistic reflection. Certainly pluralist but far from neutral, that is Lasaire's trade mark. It has been prepared by our steering committee which you will find reflected in the various discussions and especially with our Italian and German partners - Toni Ferigo of the Vera Nocentini Foundation, Klaus Mehrens of the IG Metall trade union and Enzo Avanzi, representative of the Italian section of the CEEP, the Centre for Public European companies.

Do not forget that this ninth session started here two years ago in the form of a preview, with a seminar entitled *Europe and globalisation, what type of economic development and what type of employment?* This was followed by a seminar in January of this year which was held in Brussels at the European Economic and Social Committee. The subjects were examined together with the European institutions. Two subjects were particularly debated – (1) the latest advances in European social dialogue and (2) the issue of flexisecurity based on qualifications and skills of the workforce. A summary of the discussions of this seminar can be found in the introductory document which was given to participants.

We then held a seminar in Sofia, organised together with the Bulgarian Economic and Social Committee. During the seminar, we returned to the main theme of all our biennials - the

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<sup>2</sup> Statement to *Le Monde* of 4 September 2008

development of social relations within the EU and the issues raised by their practical implementation in the new Member States.

Over the next two days, we will continue to work on each of these themes. They will not only be a subject for discussion but also proposals to be subjected to debate in order to extract several questions to be presented to the French Presidency and to the presidencies to follow.

We have maintained several ways of approaching the issue so that we can continue on the route already embarked upon. Firstly, we find ourselves in the special context of the most extensive enlargement that the EU has known since it was founded. We now have 27 members, with 15 countries in the Euro zone, with the question of the political organisation of the EU and that of the economic governance of the Euro zone still pending. Competition strategies of the Member States continue to be implemented which makes it difficult to establish cooperation and harmonisation in this field. This will be the subject for discussion later on, led by Joël Maurice, from our steering committee. We will also be discussing the matter of growth and salaries in the EU and how industrial relations can still influence the great social issues, industrial restructuring and on wage determination.

Lastly, three workshops will be tackling the three great challenges that characterise various aspects of our concerns:

First workshop: Wage bargaining. The subject will mainly be dealt with at a roundtable discussion in the afternoon. This will be led by Toni Ferigo, our associate partner for this biennial, and by Joël Maurice.

Second workshop: Systems of employee representation. More specifically, we will be dealing with European works councils and their link with transnational negotiations – a subject that has been placed in the limelight by current events since the draft revision of the directive was put forward. This workshop will be led by Udo Rehfeldt, a member of the steering committee, and by Klaus Mehrens, representative of the IG Metall trade union.

Third workshop: The way in which the social actors deal with industrial policies affecting energy, transport, territories, etc. will constitute the way we approach this matter. This workshop will be presided over by Bernard Soulage, senior Vice President of the region and member of the European Committee of the Regions and led by Pierre Héritier, Jean-Pierre Moussy and André Stimamiglio of the European Trade Union Forum.

Finally, we will be collating the contributions made to the various stages of this biennial. Jacques Freyssinet will have the task of presenting a summary report of the meeting. Lastly, a final roundtable discussion will provide a definitive conclusion to the whole cycle. This will be presided over by Jean-Cyril Spinetta, Chairman of Lasaire and Chairman of Air-France-KLM, and led by Frédéric Lemaitre, journalist at *Le Monde*. We hope to see you all again to celebrate Lasaire's 20th anniversary.