

LES CAHIERS

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WHICH WAY FOR ECONOMIC DEVELOPMENT AND EMPLOYMENT?

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LABORATOIRE SOCIAL D' ACTIONS
D' INNOVATIONS
DE REFLEXIONS ET D' ECHANGES



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Seminar preliminary to the Lyons Forum on responsible globalisation

with the partnership of :

Le Grand LYON
La région Rhône-Alpes
L'association Forum Syndical Européen
Saint Etienne Métropole
L'Université de Saint–Etienne
Economie & Humanisme

INTRODUCTION

Friday 20 October 2006

Pierre Héritier

Founder of Lasaire

Anne-Marie Grozelier

Secretary General of Lasaire

Jean-Louis Gagnaire

Vice-President of the Rhone-Alpes Region

Pierre Héritier

Pierre Héritier, the founder of Lasaire, greeted and thanked the participants. By way of preamble he recalled the vocation of Lasaire, an organization concerned to preserve a pluralist approach, to provoke real confrontations on the problems of the moment, free from cant and the temptation of spineless consensus. A simple idea governed all its approaches, namely that the human factor was the central element of the economy. If moreover Lasaire had its headquarters in Saint-Etienne, it was because the town had for long been engaged in social innovation. It was only necessary to mention, among many other references, the figure of Michel Rondet who founded social security for miners there, in 1894, the first prototype of what was to give birth, more than fifty years later, to Social Security, *full stop*.

Anne-Marie Grozelier

The Secretary General of Lasaire, Anne-Marie Grozelier, recalled in her turn that the Lasaire encounters were launched in Saint Etienne 16 years ago in 1990 and that they were continuing in this very place with the launch of the 9th edition. This seminar would pursue the reflection engaged in 2005 on the fundamental question: how could Europe organize itself to be a major player of a social and environmental regulation on the planetary scale? It was the world's leading trading power. But had its leaders and the leaders of its member States the political will? .

Jean-Louis Gagnaire

The Vice-President of the Rhone Alpes Region preferred the expression, regulated globalization to that of responsible

globalization. Indeed, at the heart of the globalization now taking place it was necessary to be responsible. The elected representatives were responsible for the choice of economic policies which had repercussions on the most destitute, on social innovations, on the financial engineering of the banks, on the management of human resources. But globalization was based on economic rules to which the world seemed to be subject whereas these rules had been established by our societies which had therefore the power to change them. It was a matter of being a player and not being subjected; of creating spaces for dialogue; of combining skills and developing a social and territorial dialogue.

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PANORAMA AND CONTEXT :
**Revival of Europe and globalization ; demographic perspectives and
immigration**

Joël Maurice

Lasaire, Professor at the ENPC

Françoise Grossetête

MEP

Lily Razafimbelo

Researcher in communication sciences, Madagascar

André Gauron

Lasaire, Chief adviser to the Cour des Comptes

Joël Maurice

Joël Maurice proposed to develop a panorama of Europe set in the context of globalization, before turning his attention more particularly to the demographic issues and to the question of immigration. The problems posed by European construction had always been at the centre of Lasaire's preoccupations. In this period, half way between the "no" to the draft constitutional treaty and the next presidential election, what was the state of the Union, in particular within the euro-zone ?

Using Eurostat statistics, it was possible to have a picture of the weight of the European Union compared to other major groupings in the World (United States, China, Japan). The purely demographic weight of Europe was greater than 450 million inhabitants (The United States were at 300 million, Japan at 150 million, China at 1.3 billion). In terms of purchasing power per inhabitant, if the Europe of 25 was put at index 100, that of the Europe of 15 was at 108, that of the euro zone was at 106, which amounted to an average income for the whole of Europe close to two thirds of the corresponding figure for the United States (index 148). The euro zone was on level terms with Japan, China on the other hand did not exceed 20% of the level of the euro zone.

World trade : to make the comparative figures meaningful, trade within the European Union should not be taken into account. The European Union as a block held 19% of world exports, the United States 14%, Japan 9%, China 9.4% but growing rapidly. As far as world imports were concerned, the United States with 22% led the Union of 25 block. Economic growth: the Union of 25 was at 1.7%, the euro zone at 1.4%, the United States at 3.2%, but China was at more than 9%! As for unemployment, it exceeded 8% in the

Union of 25 (including in the euro zone), compared to the 5% of the United States and the 4.4% of Japan. Concerning the employment rate, it was 64% in the Europe of 25 and in the euro zone, but 71% in the United States and 69% in Japan. Hourly productivity showed that if the level in the Union of 25 is set at 100, Japan would be only at 79%, but the United States would be at 115 and France at 117. That was a French exception which deserved to be emphasised.

The generally disappointing level of economic performance in the euro zone could raise the fear of a progressive disintegration. Some personalities, not only in Italy, have even wondered about the validity of keeping the euro. Lasaire did not in any way call it into question. This doubt expressed many other concerns. The catalogue was well known :

- imbalance in the economic governance of Europe to the extent that the role of the ECB was scarcely counter-balanced by a coordination of budgetary policies necessary to achieve an effective « policy mix » (such as that of the United States);
- that, because the Eurogroup remained informal to the extent that the rejection of the constitutional treaty had not allowed an official dimension to be conferred on it ;
- very insufficient social dialogue on the European level ;
- prospects opened to an extension of negotiations freely undertaken by the social partners lastingly hampered by the rejection of the said treaty ;
- DOORN process eclipsed, for which was substituted competitive disinflation processes between the member countries of the Union.

It should be noted here that the relative freeze on salaries that they entailed in the countries concerned, was correlated with a slowing of growth in these same countries. (This did not prevent contrasting situations : thus, Germany had accumulated very large trade surpluses on the world scale, while during the last six years France had gone from surplus to deficit).

Therefore one should question the significance of *these non cooperative games* which the member countries played between themselves : was this not the illustration of a state of mind conflicting with the very meaning of European construction? Following on from this doubt thrown on the European project, a charter of basic rights which remained without legal value should also be taken into account, an enlargement which had certainly been successful if one restricted oneself to assessing its effects in terms of growth for the countries concerned, but nevertheless controversial and fraught with much hesitation if the insufficiency of the cohesion funds which had been allocated to it was considered.

As for pleasant surprises, the best that could be mentioned was the strengthening of the European Parliament, as illustrated by the amendments it had been able to make to the directive on services, the so-called Bolkestein directive. The coming two years would prove to be crucial for saving the European ship from being becalmed : in 2007 the German Presidency would undertake a consultation of the member States to collect their proposals. In 2008, the French Presidency's agenda would sketch out the main lines of an institutional solution to the European impasse.

The demographic weakening of Europe in the global context : between 2005 and 2050, the world population would grow according to UN forecasts from 6.4 billion to nearly 9

billion. All the major economic zones with which the European Union is in competition would see their populations increase (North America from 331 to 438 million, India from 1.1 to 1.5 billion, except China which would stagnate at around 1.3 billion and Europe which would decline from 728 million to 650 million !) In other words, the weight of the developed countries was going to diminish considerably compared to the developing countries. .

The European Union strictly speaking would maintain its overall population at its current level between 2005 and 2050. Within this basin, Germany would be in demographic decline, going from 82 million to 74 million, whereas France would go in the opposite direction, from 60 million to 70 million in 2050. Here again this was an aspect of the French exception. The fertility rate was in reality the central parameter to take into consideration : for the world as a whole it was 2.6 children per woman, 2.9 for the developing countries, but 1.52 for the countries of the Union of 25, with low extremes (Italy with 1.32) and high extremes (France with 1.92). The UN forecasted a global convergence of around 2.1 in 2050 for the fertility rate, which would lead to a stabilization of the world's population. This forecast assumed that the demographic transition was accomplished according to the model foreseen.

The increase in life expectancy, for its part, continued with the exception of a few countries, such as Russia which was from this point of view, in a catastrophic situation.

Immigration into the European Union was increasing.. In 2005, the European Union of 25 received 1.6 million immigrants (figure corresponding to the balance between entries and exits). But all member States were not in the same situation in this

respect. While Germany experienced a sharp decrease in its immigration, Italy and Spain recorded very strong increases in their immigration flows, essentially coming from the South of the Mediterranean (more than 600,000 net entries in 2005 for Spain). These big migratory contributions did not for all that counterbalance the effects of the overall ageing of the European population. The ratio of the number of retired people to the number of people of working age continued to grow. Thus, even if the migratory balance in the direction of France was 280,000 people a year up to 2050, the demographic ageing on our territory would only be reduced by half..

The Schengen agreements put in place a policy of strengthened cooperation in 1985, leading to the introduction of a single visa for all the countries which were parties to this agreement. In 1990 the Dublin agreements harmonized European policy in the matter of the right of asylum. In 1997 the treaty of Amsterdam ranked the immigration policies among the community policies with effect from 2004.

On the other hand the *living together* policies remained « subsidiarized », that is to say remained in the hands of the national governments (conditions of access to nationality, regulation of residence permits, rights accorded to the descendents of immigrant families). From this point of view, a decline of the conception linking the acquisition of nationality in the name of *jus sanguinis* (right of blood), and an advance of *jus soli* (right of the soil) could be observed in Europe..

Three observations could give the measure of the difficulty caused by a policy of mass immigration into Europe :

1. The member States got edgy to a greater or less degree at the prospect of such a policy. The Union had decided to set quotas on immigration depending

on Europe's economic needs. That was a community decision. At the same time, the immigrants found themselves subject to a certain settling process. In fact the immigrants ran much greater risk in coming and going between their countries of origin throughout their active lives.

2. The influx of immigrants who did not have the required qualifications encouraged illegal work, that was to say undermined the status of official employees, which thereby restricted the base of labour negotiations.
3. With the generalization of the right of the soil, the descendents of immigrant workers would be full members of the national community. But it was obvious that the minorities stemming from immigration were not really integrated within European societies. The problem became all the more visible as the number of people concerned grew. The problem should not only be approached in purely economic terms, but also in its social, cultural and political dimensions.

Pierre Héritier took the floor. In his opinion there were three major questions which should be discussed: how to provoke in the euro zone, cooperative games liable to revive demand creating employment. Next, the demographic question should be explored further. Finally the dossier of immigration must be opened.

Françoise Grossetête

For **Françoise Grossetête**, the breakdown of Europe was to be related first and foremost to the absence of political or even just economic governance. A contrario, the euro was the proof of Europe's effectiveness as long as it was able to give itself an institutional mechanism which functions. The European Parliament, by amending and adopting the services

directive contributed, in part, to establishing one of the conditions for the proper functioning of the internal market which was one of the dimensions of the European Union. Françoise Grossetête deplored the absence of pedagogical sense on the part of the defenders of the constitutional treaty, which explained its rejection by the French and the Dutch. So the old machinery remained in place. The European Parliament took initiatives, but it continually came up against the European Council, which represented the interests of the member States, and as such relaying purely national visions and their hold ups on short term visions..

The MEP returned to the figure of the European population corresponding to the most active age bracket, that from 15 to 64 years: by 2050 it would decline by 48 million for the Union as a whole! This net decline could not but have effects on the labour market, on the organization of social protection, on public finances and finally on growth. This prospect contrasted ironically with this other observation: a growing number of well educated and dynamic young Europeans were going to settle beyond the frontiers of Europe in the United States, in China, in India, etc. The conclusions of this should be drawn with realism: foreseeing new jobs and innovations corresponding to the ageing of the population and the overall postponement of the retirement age, putting mechanisms in place enabling complementary incomes to be granted to those to whom the pension systems would provide them with greater and greater difficulty (hence the role of pension funds), encouraging the demographic renewal by measures concerning access to housing, the development of crèches and nurseries.

Concerning immigration, Mrs. Grossetête noted that in 2004, the European Union attracted nearly 1.8 million « net »

immigrants that is a figure much higher than that of immigrants into the United States, if it was compared with respective populations of the two zones. This flow could but endure, hence the urgency of unifying immigration policies.

Lily Razafimbelo

Lily Razafimbelo said she was particularly sensitive to the question of governance, that was to say to the way, in the case of the European Union, of defining, legitimizing and maintaining the appropriate distance between, on the one hand, the politicians themselves, understood as those who were responsible for deciding, and on the other hand the citizens who worked and laboured on the ground. The territory was then that space appropriated so that politicians and players on the ground could establish themselves, so to say, concretely and with a minimum « loss » of communication. In contrast there was a problem of governance when decisions were taken at the summit, without the players on the ground feeling the least involved. Europe had been conceived in the beginning based on an exclusively economic logic. Hence the difficulty, and also the necessity today, of making Europe henceforth a really social reality which « speaks to and is really important to people ». A decision was fully political only when it was « anchored » in people's daily lives.

Lily Razafimbelo intended bringing a wider view on the question of immigration. The problem would not be solved by resorting to violence, nor even by resorting to so-called « chosen » immigration. The solution was development conceived as a global task which went beyond the frontiers of nations and continents. That had to be the joint mission of structures such as the European Union and the African Union, first steps towards a global regulation. In this

connection Lily Razafimbelo was upset that the victory of the «no» showed to what extent Europeans, and in the case in point the French, did not understand that they already have in hand those forms of organization and dialogue that Africa still lacked. How could they have so given into the temptation to write off such assets? Did not Europe risk becoming henceforth a fair where each country came to petty bargain for its small interests? This drift should be refused, Europe had to give back to, its citizens the desire to rediscover what could bring them together. It was moreover on this ability shown by the Union that the eyes of less economically advanced countries and groupings would be turned, particularly in Africa to follow in its footsteps on the path to their own reunification..

André Gauron

André Gauron offered his answer to the economic breakdown in which Europe found itself. He regretted, by way of preamble, that emphasis had been exaggeratedly placed on the question of the euro. In his opinion the comparative figures of the United States and the Europe of 15 concerning rates of employment and productivity were more revealing than the question of the destiny of the euro. The real unblocking of the situation was to be sought in the direction of the organization of employment. In 2000, in Lisbon, the European Union had undertaken to become the most competitive in the world in the matter knowledge economy. Since then little progress had been made.

Yet the equation to solve was rather easy to pose if not to solve): growth depended on the rate of employment, which itself depended on the level of education. A century ago, the level of education, or rather its absence, had not been a hindrance for

getting a job. Henceforth it was one of the essential conditions. All the statistics showed the correlation between level of employment and level of education. A great part of the secret of the economic progress of the United States is due to their decision to generalize, at the end of the second world war, secondary education to the whole population. Even today, the American population was much better educated than the European population as a whole. For André Gauron, it was obvious that the demand for 80% of secondary school graduates was more than ever imperative. In the same spirit it could be understood that, whatever the result of the debate on pensions, the trend to push older workers into retirement and early retirement, could persist and even increase to the extent that they were poorly educated employees who had to make way as soon as possible to young people with a higher level of education. It had not been sufficiently noticed, on the other hand, that companies satisfied with low levels of qualification in their labour force, were also little open to the entry of women into the labour market.. On the other hand, when the levels were high, the disparity between the sexes tended to disappear. Following on from this observation, it is interesting to note that, 20 years ago, the least qualified workers were men in the industrial sector, whereas today the lowest rung in the in the scale of qualifications is occupied by women employed in the service sector.

In terms of opportunities for education, France offers prospects for growth for the number of executives and middle executives, to which generally correspond BTS type courses. On the other hand, as far as the levels immediately below were concerned, that of qualified technicians situated below the executive and above the skilled worker, there was somewhat of a deficit in France. «In France» Antoine Riboud had already said, «we are mistaken

about productivity». by this enigmatic remark, he alluded to the solution of productivity from the top, that which provokes high qualifications, to which France had unfortunately preferred, according to Ribaud, productivity by accelerating rates and stress at work.

Joël Maurice

Joël Maurice took back the floor to react to the beginning of André Gauron's intervention. He wanted to reaffirm, for his part, his attachment to the euro mechanism.. This position should not be confused with the anxiety he felt when he saw the *non cooperative games* increasing in the

different member countries of the EU, which, if they increase, might end by cracking the base of the monetary mechanism.

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GENERAL DISCUSSION :
with André Gauron, Françoise Grossetête, Lily Razafimbelo,
Joël Maurice, Pierre Héritier

Evelyne Merchez

CGT-FO

Jacques Toledano

Eticité Association

Jean-Claude Aparicio

Member of CESR PACA

Alain Sebile

Vice-President of MACIF-IDF
Member of the board of Lasaire

Pierre Gallon

CGT

Fernando Marques

Portuguese CGT

Ornella Cilona

Italian CGIL

Jacques Petit

Greater Lyons Development Council

Jacky Fourt

Secretary of the European works committee of Rhodia,
chemical company

Evelyne Merchez

Evelyne Merchez intervened on two points : on the one hand, she wondered about the merit of the proposal which would consist in postponing the retirement age when poorly qualified people had started their working life very early. On the other hand, for people to really interiorize the European dimension, it was important to lift the obstacles to cross border mobility as the French MP's were working on. This type of measure would in fact be a means of getting people to know daily life in Europe better and to convince them of its role in improving the quality of life for each and everyone.. ..

Jacques Toledano

Today the problem of Europe faced with globalization was posed, but it had to be agreed that the single market alone had not been sufficient to create a citizenship which was really shared: there were, in each country, social models which had been unable to transcend themselves on the European level and which remained national. On the other hand, as Daniel Cohen had emphasised, the European productive model which was based on very close top of the range products, incorporating very costly know-how, had got off badly faced with the productive models of big international firms that did not tolerate the principle of perfect competition and saw to it that only one or two companies shared the international trade.

Jean-Claude Aparicio

Returning to the intervention of Mrs. Grossetête, Jean-Claude Aparicio wanted to emphasise that if the constitutional treaty had been rejected it was because of its shortcomings. The dynamic and interdependent Europe that the French were

crying for could not be constituted with a system erecting competition between its members, nation against nation, each against the other, and let the best win ! That was a purely market led Europe which was being established without fiscal harmonization and without social harmonization. Concerning the debate on immigration he wanted to denounce the conditions in which the immigrants were treated in this country and wondered about the contradiction that might exist, in the minds of the adepts of liberalism, in advocating the free movement of capital and goods but not that of people.

Alain Sebile

On the subject of economic development and jobs created, both at the national and the European levels, the question should be asked about the role which the social economy might play. It was an important economic player which counted 900,000 companies employing 2 million people with a turnover of 150 billion euros, without counting the cooperative banks. These two sectors of the economy should work together on these questions.

Pierre Gallon

was surprised that in the presentation, by the way very interesting, which had just been made, resort was not had to explicatory plans calling on the evolution of industrial production in the framework of the new global relationships which were being established nor on those which we could have. ..An absolutely fundamental question in his opinion : if we did not speak of this, what could we speak about? Some mentioned delocalizations, - from this point of view, the Loire department was particularly concerned – but would it not be necessary today, if we wanted to speak about globalization, to approach the question of

he distribution of industrial production on the planetary level? There could perfectly well be real cooperative relations at the international level, as there had been with Germany and certain countries in the past. He remembered industrial and training cooperation agreements in the steel industry. Numerous trainees came from Iran, Iraq and Egypt. At the same time a new steel industry was being established throughout the world.

What would be important would be to develop this type of cooperation agreement which could be established for global development, without that being at the expense of the workers in the already developed countries, and without their jobs becoming precarious or even delocalized. It was this type of problem that had to be posed and which should be reflected on in priority.

Fernando Marques

Fernando Marquès was in agreement with André Gauron in associating the rate of occupational activity and the level of education. But it seemed to him that within the European Union, the emphasis was less on education as a remedy for unemployment than on the growing flexibilizing of the labour markets, by forcing the long term unemployed to accept jobs of poor quality.

Moreover, a weakening of the social dialogue in Europe could not be denied.. Certainly, the economic policies more and more aligned on the liberal logic, as well as the increase in international competition, powerfully contributed to this. But the main reason for his state of affairs was certainly the recent enlargement of the Union. Henceforth it was becoming difficult for the unions to negotiate labour standards, while in this area as in others, Europe was more diversified than ever.

Finally, in the matter of demographics, a global view on the evolution of things should be maintained and it should not be forgotten that, in general, the increase in population was more and more deteriorating the environment and compromising the renewal of resources..

A contradiction should be noted here. In fact, in the developed countries, the population was tending to fall, which entailed a decline in the active population, and consequently made the financing of social policies more problematic. In the developing countries, it was the convergence towards a common standard around 2 children per woman, which was the most remarkable feature. This reduction in fecundity was seen even in countries where religion played an important part.

Ornella Cilona

Wished to intervene on different points, all connected with the question of the role of Europe in the world.

- She recalled that at its last congress, the CGIL had adopted a demand asking the WTO negotiators to make their agreement conditional on the introduction of social and green clauses. There had been no agreement but a new proposal on EU trade policy was circulating and we were moving towards bilateral agreements. Might these clauses be taken up in the bilateral agreements? On this point she called on Lily Razafimbelo : certainly, in Africa, regional integration was slow to come about, but why in these third world countries did this fear of protectionism lead them to oppose these clauses, so making the role the EU might play in the world difficult?

- On the revival of the constitutional treaty, she recalled that there were now two proposals on the table. One of Mr. Sarkozy which appeared to be a mini treaty without the charter of fundamental European rights, and the other of Mr. Leinen, a German social democrat MEP, president of the Constitutional Commission – a proposal which it supported itself - which suggested keeping parts 1,2 and 4 of the old treaty and removing the new articles from part 3. „ This question about the manner of reviving the constitutional process was still being debated in the CGIL. Nevertheless, it would probably be favourable to a new « protocol” which defined the role of Europe in the world and thus favourable to the revival of the concept, moreover invented by the French, of a European social space with an update. A concept which had a vocation to be generalized to become a European and global social space. In the 1980’s this concept had been understood as a set of coherent social policies, of legislative standards and of industrial relations. Today, the objective should be given of reviving and harmonizing social regulations at the level of the ILO, of the European Council and of the EU to help the developing countries. This would be to give ourselves the objectives of responsible globalization and a global code for the social dimension.

- on education: how to encourage the access of all to continuous education after compulsory schooling ?
- to Joël Maurice, the question of strengthened cooperation in economic, social and fiscal matters, was it not a good choice ?

Jacques Petit

Jacques Petit wished to define benchmarks enabling the notion of territory to be better defined. He noted that, in development councils, only the social partners, that is to say institutionalized civil society was represented to participate in « governance ». But the ordinary citizen, the « unorganized citizen » so to speak, had no say. On the other hand, in Lyons this expression existed. Copying an Ancient Greek procedure, there was a “citizens’ college” constituted by drawing lots. It would have been interesting to know how the “institutionals” viewed this type of practice.

Jacky Fourt

Jacky Fourt wished to intervene on the question of the European social dialogue and the difficulties it encountered. He noted that there were always difficulties in Europe to establish European works committees and the number of committees created was still low in view of the number of companies concerned. The revision of the European directive on works committees, planned after a first period of implementation, was still being worked on because UNICE was hindering its progress. All that was not going in the right direction. At a time when it was being said everywhere that the European social dialogue must be developed, facts were going contrary to good intentions. That was an important question to add to the debate. .

André Gauron

reacted to the interrogations of Evelyne Merchez, for whom the relative increase in the number of retired people should entail a drop in the number of unemployed. According to him, a mechanical effect of substitution between one and the other could not be counted on, simply because the first had been poorly qualified, whereas the

labour market was now only offering jobs at significantly higher levels of qualification than those which cohorts of the newly retired had occupied throughout their working lives. As long as, 130,000 young people left the school system each year, without having obtained the baccalaureat, unemployment hitting the new entrants into the labour market would remain high..

Moreover, France, like other European countries, suffered also from poor industrial specialization. To, take the example of the textile industry, France had not been able, unlike Germany, to establish a “technical” textile industry. She had preserved the craft type textile industry, henceforth widely competed with by China. Hence the collapse of market shares in this area. The solution in this sector as in many others depended on the systematic modernization of technologies and following on from that on correspondingly high levels of education.

On the question of the harmonization of social systems within the European Union, it should be recalled that the French trade union movement showed itself on the whole hostile to the idea of dealing with social questions on the European level. The French had considered that their social system was clearly superior to that in other European countries and it should not be adulterated in a compromise model which European legislation would have risked establishing. So the French trade unionists had fought for years for social questions to remain within the perimeter of national competence.

As for the reasons for the « no » to the draft constitutional treaty, it was due to a large extent to its hybrid character, to the extent that the text in question included both a proposal for institutional reforms and political recommendations. The majority of the French electorate would have been favourable to the first, according to A.Gauron, but not to the second. It would

therefore be a question of dissociating these two realities. Even then it would be necessary to be able to go beyond the logic of the treaty itself, which by definition was a matter of relations between States, and make this text the expression of a *sui generis*, act, in the very principle of the European foundation. As long as the national parliaments were not inclined to give up their rights and to take this step, putting the European Treaty back into the centre of discussions would be a waste of time, because no real progress would be possible..

Françoise Grossetête

Françoise Grossetête intended to defend once again the merit of a reform aiming to postpone the normal retirement age. Given the living conditions of the populations living in Europe, it was quite natural to estimate that a large number of forty and fifty year olds today had already a life expectancy of close to one hundred. That corresponded to a length of retirement of some forty years, financed by the active population. Yet, in 2050, there would be only two active people for each citizen aged over 65 (the current European ratio being 4) . To remain with a less strained ratio than that suggested by the forecasts, the secrets of full employment would have to be rediscovered. If that were not the case, the only variable of adjustment remained raising the retirement age.

What did we want to make of Europe ? wondered Mrs. Grossetête. An internal market? In that case there was no need to dream of a “European citizenship”. But if Europe was a political project, that then justified establishing a European citizenship. But the constitutional treaty had been precisely a way of proposing that political Europe.

Moreover, the conditions imposed on illegal immigration had to be regretted. That said, it

was obvious that Europe needed immigration. The question was to draw up an immigration policy tolerable both for the entrants and for the societies which agree to accept them. Everything had to be done in this area at the European level. In this matter everything had to be done to complete the free movement of people within the borders of Europe, an advantage of which the nationals of the new member States remained temporarily deprived. In any case, as far as employment in industry was concerned, Europe would only maintain them and would only increase them if could associate its industrial policy to an ambition of technological progress and high qualification.

The issue of the European constitution revealed two camps : on the one hand there were fifteen countries which had ratified the constitutional treaty and which were intent on applying it as quickly as possible, and on the other hand there were two countries which had refused it. Nicolas Sarkozy, in the name of France proposed to have the reform of the European institutions strictly speaking adopted, which according to him could get the backing of all the member States without a hitch. The European elections of 2009 could provide the opportunity for ratifying this reform. A big inter-governmental conference would then take over and try to give an acceptable form to the great political options to put in place.. The MEP wished to point out that there was already an embryo of European social legislation, for example the parental leave for fathers. It was a beginning.

Lily Razafimbelo

Lily Razafimbelo would have liked to redefine more precisely the relations which it would be good for the European Union to establish with the so-called CAP countries,

particularly with Africa. Three aspects should be amended in this sort of partnership..

Firstly, Europe should give up wishing to impose its own model of development on African countries. Then there was a very demeaning view of Africa in Europe that constantly interfered with the relations between the two continents. If the image of Africa was constantly associated with that of war, poverty, famine, and tropical diseases, the partnership between Europe and Africa was doomed to be transformed into a very unequal relationship between the arrogance of the rich and the humiliation of the poor. Fortunately the Cotonou agreement was starting to modify these perspectives and to contribute to the establishment of a partnership between equals. While Africa did not fear protectionism it demanded more simply a balance in trade. For example the subsidies granted European farmers had had the effect of penalizing and hindering the development of African countries, widely focussed on their agricultural production and by the prospect offered by their exports. So, it was at the level of the WTO that the debate between European countries and the ACP countries would have to begin.

Finally, concerning territories, a country like Madagascar provide matter for reflection. In contrast to the territorial organization structured according to abstract plans inherited from colonial times, in the merina country, there existed the *fokonolona*, that is to say a traditional institution thanks to which the village communities could be managed in more concrete and broader fashion than is the case in Europe. In any case the « French style » administration did not at all suit the Malagasy culture. It would be a mistake to make the territory a sort of abstractly defined reality the application of which could be described in the same terms everywhere and always from one end of the planet to the other.

André Gauron

André Gauron reacting in a phrase to the words of Mrs. Razafimbelo, emphasized that the economy which now most threatened the development of African countries, was no longer the European « block » but that of Chinese companies. This was particularly flagrant in West Africa.

Joël Maurice

Joël Maurice intervened a last time to underline the interest of strengthened cooperation agreements. In the framework of the Nice Treaty, the conditions set for their application are rather difficult (from this point of view the adoption of the constitutional treaty would have somewhat facilitated their setting up). The formula was in any case possible for everything concerning the fiscal field, starting with corporation tax..

Pierre Héritier

The interest of strengthened cooperation agreements had moreover always been underlined by the Lasair team, **Pierre**

Héritier added, to initiate the conclusion. The founder of Lasaire deplored, to finish, that the discussion which was ending had not taken up the social economy dossier, particularly insofar as the creation of innovative enterprises and externalization. .were concerned While some companies arising from the social economy had succeeded almost too well, as had been the case of the Crédit Mutuel or the Crédit Agricole, the same could not be said of small structures, who had not always been able to surround themselves with an effective “accompaniment”. Finally the institutions representing employees, in other words the IRS, no longer seemed to correspond to the places which, in the company, were responsible for defining the strategy and the major development options. It was a theme which should be taken up again..

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EVENING DISCUSSION : **Opposing views of Europe and globalization**

What can be expected of Europe ?

Yan Chen

Journalist, China

Lily Razafimbelo

Researcher in communication sciences, Madagascar

Georges Ross

Director of research at Harvard University, USA

Toni Ferigo

Trade union expert Italy

Louis Viannet

President of the European Trade Union Forum

Marcel Grignard

National Secretary of the CFDT

Discussion led by **Pierre Delohen**, journalist

In the first stage, it would be a round the table discussion on the question of what Europe could expect from globalization: it would be the six « opposing views » of the above mentioned representatives. A second part would be open to questions from the hall, to which the experts sitting round then table would attempt to reply.

Yan Chen

Yan Chen took the floor. What could Europe really represent in the eyes of China? The Chinese representative replied straight out: Europe did not exist. The history of its relations with China recalled rather bad memories. More exactly throughout these last decades Europe had not been distinguished, in the Chinese mind, from the West in general. And even recently it had been lumped together with countries like Canada, Israel and, of course, the United States. It was only with the “second opening” of China towards the end of the 70’s that the United States had begun to have a specific image and a policy among the Chinese, revealing little by little Europe itself as a world clearly distinct from the American empire. Europe had become visible, in China, from its efforts to constitute itself into a European Union, or even on the occasion of international crises such as that provoked by the outbreak of the war in Iraq. For three or four years, Chinese public opinion had been taking a little more interest in Europe itself, to the extent that it saw there a society which, more than elsewhere in the world, had been able to put preoccupations about social protection, equity and the quality of life at the top of its agenda. The Chinese were increasingly aware that globalization was accompanied at home by a rise in social conflicts and at the same time, wondered about the way Europe went about resolving social crises when they broke out in its continent. At the same time, the Chinese stopped confusing the American « way » and the European « way ». in terms

of approaching the consequences of globalization.

Lily Razifimbelo

Lily Razafimbelo expected much of Europe. Without claiming to represent the South, or half the world, she wanted to give a reminder that she only offered a personal view here.. The different views on Europe, gathered from her friends coming from both hemispheres, translated a very great ambition, related to its international ambitions. The “no” to the draft constitutional treaty, then appeared in the eyes of the Malagasy observer as the expression of a lack of confidence in the ability of Europe to build itself and intervene positively in the organization of the world.. More precisely, Lily Razifimbelo thought she could detect in this refusal of the majority of French people to the construction of the Union as the treaty proposed to them, the expression of an indirect rejection of their political elites, carrying on from their mistrust with respect to the Union..

But, to her African eyes, such a rejection was stupefying. First because history (beginning with that of colonization) and geography went in the direction of a partnership between Europe and Africa, and consequently this stop to the process of European construction, risked having consequences for African public opinion if it were true that the projects of cooperation and joint building, on which Africa also was counting to build its model of continental development, were compromised by it.. Europe was not sufficiently aware that it constituted a model for other regions of the world. If the impasse in which it found itself was bad news for all the continents, it was even more so for Africa. The European issue was in fact a global issue. This was what the partisans of the « no » to the treaty did not recognize. There was in reality a type of

development that the world would be able or not to establish, in the wake of the European affirmation.

The member countries of the European Union had together within the IMF a number of votes largely sufficient to redirect the interventions of this organization in the direction of *sustainable development*. To reason in these terms was of course to assume that the European Union would constitute itself into a political unit. Mrs. Razifimbelo thought that, if it was a case of giving it real sovereignty enabling it to discuss as equal to equal with the other great world powers, giving up a part of their sovereignty to which the nations of Europe would have to consent, was not a very great sacrifice. The current state of affairs, in which a single super power could impose its view of the binary world, was not sustainable for long. The European Union had therefore to set itself up rapidly as a counter weight. ..

In the matter of immigration, here again Europe had to be able to establish a practice without violence, that was to say without discrimination between the qualified and the unqualified. Its chance was to already possess the organizations and the know-how able to set up the forms of concrete solidarity negotiated between the rich and poor countries of the planet. The Malagasy contributor recalled, in conclusion, that Europe was indissociable from the values of peace, justice, equality and liberty, which it had to be able to share with the rest of the world..

Pierre Delohen, *the discussion leader, emphasised the strongly idealistic tone that marked the intervention of Mrs. Razifimbelo, and said he was very glad about it, before handing the floor to the American contributor, whom he asked if the United States were really aware of Europe.*

George Ross

Georges Ross warned his audience that he risked speaking French like George Bush spoke American. The Harvard researcher began by formulating the hope that the European Union would succeed making a specifically European model alive and reviving it. By that that he understood the establishment and perpetuation of generous social policies, guaranteeing a system of universal education which offered everyone a chance to progress, a right to work which protects workers against the violence of all out globalization, etc. Europe had to find the secret of combining the necessary flexibility and the guarantees offered by the social model it had been able to invent. George Ross also could unfold his list of recommendations.

1. get a real economic government able to ensure the conditions of *policy mix* policy within the euro zone ;
2. define and establish a research and development policy guaranteeing the coherence of the programmes in this field between the different member states ;
3. strongly encourage the member States to reform their respective education and training systems ;
4. perfect the single market ;
5. stop wasting time and energy in defining a European construction. Limit oneself to modifying the rules which do not work and stick to a practical *modus vivendi* between member States. What was important was elsewhere;

6. make the Lisbon strategy effective.

The American observer ended his intervention with two considerations. He could not avoid noting that whatever the economic and social system they claimed to have adopted, many European countries came out more than honourably on the globalization front. Whether they played the card of liberalism as was the case of Great Britain, Ireland, and to a lesser extent Spain, or they remained attached to a social democratic logic as did the Scandinavian countries, these were all countries enjoying the benefits of continuous economic growth for decades. But such was precisely not the case of the three great States in the heart of Europe, namely Italy, France and Germany. These were on the contrary countries whose growth had been stopped for several years. For George Ross, this insistent stagnation from which the great founding States suffered (adding the Benelux States to them) was not imputable to the repercussions of globalization. These countries had to rediscover the path to growth and stop blaming the exterior.

The «The Economist» recently published economic forecasts for the coming twenty years in the whole world. From which it emerges that some zones and more exactly certain big countries (China, India, Brazil) were going to experience strong economic growth and the old powers, Europe and North America would have to be content with a smaller share of this growth. But this growth in wealth would be situated in the market of “top of the range” products and services, the monopoly of which would no longer be reserved for the Western countries. The research and development programme was now a priority in the policy of these «great newcomers» on the world market.

The economic disruptions which were going to transform the face of the world which awaited us could be imagined. But were we

thinking of the specifically political modifications which would also follow? A multipolar geopolitical and unstable logic is slowly establishing itself. In this vast context Europe would have its specific role : it would be, if it was able to, one of the effective counter balances to the imbalances which would not cease threatening world development.

Pierre Delohen, *whose reflections seemed to have been stimulated by the final considerations of his predecessor, now turned to the trade unionist Toni Ferigo, to ask him to describe the possible role of unions and employees on the international scene, understood to be more and more subject to a multipolar logic. With this prompt, he would have liked to know if, in the opinion of the Italian, in the perspective of the strengthening of Brazil, India and China, the idea of focussing the deployment of globalization on the sole North American hegemony, was not returning to what was now a rearguard confrontation.*

Toni Ferigo

now having the freedom of expression provided by retirement did not beat about the bush for long, as far as the trade union movement on the global level was concerned. Some trade union organizations in the world, he affirmed, were part of the problem, others would rather be the solution. Because it should not be hidden that throughout the world there were corrupt unions linked to local mafias etc. “Serious» unions for their part, if they were situated in Europe, had an easily defined mission : to defend in the international arenas the European social model, its system of social negotiations, social relations etc. In that respect, it was easy to observe that, everywhere in the world, and particularly in the countries situated on the marches of the Union, the unions had a common desire : bring the country from which they come in its turn into the European Union, since,

despite the liberal logic which it was obliged to adhere to; trade union Europe was considered as a reference. Were the European trade unionists aware of this responsibility, of this role that, whether they had wished it or not, they embody in the eyes of the rest of the world? In contrast, the situation of unions in the Anglo-Saxon world appeared like a field of ruins. Tony Ferigo noted as an example that it was now more difficult to set up a union in the South of the United States than in South Africa!

Another observation: when the point of view of the unions in the rest of the world, in Brazil, in South Africa or in South Korea was sounded, it appeared that union Europe was the only positive reference. What the Brazilian unions appreciated in France, in Italy or in the Scandinavian countries, was the ability the European unions keep to not separate socio-economic issues on the general level, from local issues on the level of the company. In Europe, the two levels into which a strategy of solidarity could fall, far from excluding one another, as they were too often resigned to elsewhere, were not separated from each other: the social movements attempted, most often, to maintain a link in analysing issues and in recommending action, between the local (company) and the global. As a counter example, let us think of the situation created for union action in the Peru of President Fujimori, where it was sufficient that, in a company, six employees should meet to constitute a union. The demobilizing dispersion that this reform had caused in the Peruvian union movement could be imagined.

But Toni Ferigo thought it necessary put the European unions on guard against the temptation to give in too often to the seduction of doomsday views on the ravages of unrestrained globalization, without thinking of appropriating the intervention procedures open to them in the European

bodies. In short, the Italian unionist blamed the European unions for satisfying themselves too often by reacting to social reforms imposed from above without ever taking concrete initiatives to meet the challenges of globalization. In his turn, Toni Ferigo called to disregard a certain attitude which he qualified as «populist», which claimed to make Europe principally responsible for the destructuring and economic and social ravages caused by the inexorable advance of globalization. Europe should not become the whipping boy of union militants. An exemplary illustration of the difficulties of pursuing the construction of the European Union, concluded the intervention of the Italian unionist: he exhorted his colleagues not to align themselves on the pusillanimity of the political personnel, incapable of giving up the comfort and privileges inherent in exercising national sovereignty. The same barrier had to be cleared in the union world. There also, there was a transfer of sovereignty which had not only to be accepted but which had to be really provoked. National leaders had to be able to prepare themselves for the prospect that «trans-national» social negotiations might lead to agreements that the unions had signed with the employers at the European level without having gone through the “national level”. Branch agreements could and should be established in this European spirit, which for the national leaders, corresponded not to a simple sharing of sovereignty, but to a withdrawal of union power as it had been exercised in a purely national framework. Were the unions ready to clear such an obstacle? ?

That was however the price to pay for creating the conditions allowing the *social harmonization* wished by all to be established. On this subject, a reaction was eloquent. It was that of the German unions who pressed their colleagues in the South of Europe to obtain pay increases for the workers of their

respective countries, which ended by putting them into the area of the wages paid in Germany. It was not in this way that one would achieve a real harmonisation, which had to focus above all on rights, right to information, social rights on the forms of labour organization, on the rules in force in the companies depending on a same multinational, etc. It was not sufficient to multiply international colloquiums and consultations to reach trans-national agreements, it required in addition a real transfer on the part of unions of the power of negotiation to bodies situated on this level.

Louis Viannet

Louis Viannet did not hide the fact that he had been very moved to hear the call made by Mrs. Razifimbelo and her exhortation addressed to the Europeans that they should pursue European construction against all the odds.. He had then taken the measure of the demand which should not cease to stimulate the partisans of the European Union.. The social model which Europe had invented, established and safeguarded as best it could up to now, was not only a conquest for those it protected but perhaps also a model and a catalyst for the action of other social forces at work beyond the European continent. Nevertheless, preserving in Europe itself this social base which others envied us, would not succeed without a permanent union engagement able to exercise a counter pressure equivalent to the enormous financial power which was applying itself to dismantle it. Indeed the fact should not be lost sight of that this social model was currently being given rather a rough time.

The warnings of both Lily Razifimbelo and of George Ross revealed a difference of perspective compared to the collective judgement given by the peoples of the

continent who had given a verdict on the current reality of Europe. The criteria of foreign observers for whom Europe such as it had become remained, in part a model and in any case a hope, could not correspond to the points of view of the peoples of the interior who, for the first time were able to make their voices heard.. If the two points of view were so far apart from each other, it was also because their respective starting point were not the same. On the very occasion of this Saint-Etienne study day, Louis Viannet insisted, there was no need to have been hearing to perceive a modulation of this same difference, between the Europe of which the words of the elites and informed people celebrated the benefits and traced the future, and the Europe that the ordinary citizens perceived and interpreted. It should be questioned why this vision of Europe against the desire of the people was established and continued to grow and be embellished: unemployment was high, precariousness was spreading everywhere, inequalities were growing sharply, in all countries of Europe research stagnated or regressed, education was more and more unsuited in many countries, while an ever growing number of European companies, even of medium size, did not hesitate to transfer their new jobs outside the European Union. That was an observation taken almost word for word by from a declaration of John Monks, general secretary of the European Confederation of Trade Unions in a speech to the CGT Congress in April 2006. On the basis of this widely shared acknowledgement, it had become urgent to discuss it at length and without taboos, that is to, say in accepting that the European construction process could be criticized, without the risk of being anathematized as “anti-European” for doing so. It was on the contrary in the name of a real ambition for Europe that Louis Viannet intended to rub salt in the wound. Europe had assets and it was in thinking of those it might put

forward, that the unions allowed themselves the right to be demanding, each time they heard the word “Europe” spoken .

For the moment Europe remained perceived as a totally technocratic construction, dominated by purely financial forces and commercial logic, for which the only reference was profit and the only criterion competitiveness. Hence the divorce between the European project concocted by the technocrats and the expectation of the citizens. This divorce had been rampant for years the fire had been smouldering, and the referendum had been the explosive result. . When it was remembered that as important a decision as the content of the Maastricht treaty had only been communicated to the Parliament after the event, the growing dissatisfaction of people could be understood for a process conceived and pursued without them, and in certain respects, against them. It was time to become aware that Europe, conceived as an economic or quite simply human, undertaking, had nothing natural about it. Its collective identity still had to be built and much time would still be needed for the ordinary citizens to be able to interiorize it and accept it as obvious. Louis Viannet himself certainly felt European, but he also felt that the construction in the name of Europe was being done far, too far from the citizens. The violent rejection they had given to the draft treaty could not be reduced to an access of populism. Being satisfied with that interpretation risked giving rise, in this area, to even more serious disappointments. If the future of Europe was really to conform to the mould globalization and to meekly accept all the recipes advocated by liberalism, by exercising continuous pressure on the purchasing power of employees while restraining ever more the extension of different forms of social protection, then Europe would lose all credit among the majority of employees. The role of the European unions in this business was

mapped out : to impose a significant shift in the too liberal orientation given to the construction of Europe.

In this connection, Louis Viannet did not hide that he had not found the previous discussions very sensitive to this contradiction in the respective interests of the Europeans.. There was on the one side, the possessing classes, and to represent their interests, the commercial, industrial and financial lobbies, and on the other side, the mass of ordinary citizens. If the unions relaxed and lowered their guard in the daily struggle they had to conduct to defend employee benefits, or even improve them, the consequences would be dramatic for Europe’s future.

In a few weeks, the whole union world would greet the establishment of a unified worldwide union organization. This innovation opened stimulating perspectives, in particular for the union structure of different countries in Europe, which should draw additional dynamism confronted with the forces of the market resolved, if no obstacle thwarted them, to push their advantage ever further forward.

Delohen took note of the diagnosis offered by Louis Viannet, on the existence of a sort of « European fracture » which that difference in the perception of the issues which opposed the grass roots citizens and the summit , namely the “elites” covered. He then turned to Marcel Grignard to ask him how Europe could recover its capacity for action, especially in the fields where everyone awaited it. .

Marcel Grignard

was convinced that the whole history of European construction attested to its vocation to contribute to humanizing and pacifying globalization, which, if left to itself, would end in making the planet simply unbearable for future generations. For half a century Europe had shown that it was capable of setting up a political framework

shared by all the stakeholders, and this without any constraint. There was the only example in the world, that decision taken and renewed by 25 nations to put in common a large part of their respective sovereignty. According to Marcel Grignard, it should be recognized that even if it had been brought to a conclusion in very debatable conditions, the opening of Europe to 25 members (and soon 27) represented another victory for democracy, to the extent that a growing grouping of peoples were resolved to freely organize themselves in a common space.

While Louis Viannet was pleased, with good reason, at the impending establishment of a worldwide union organization, it would have been nice if he had also recognized that this new institution came in the wake of the European « victory ». It was even the end of communism which allowed the establishment of a single worldwide union organization. The challenge sent out to union militants would then be to learn if they were capable, as Toni Ferigo also hoped, of going, thanks to this new international organization, to the end of the contradictions now traversing the world of labour as a whole.

It was very clear that the interests of French employees at the moment did not spontaneously meet those of Polish employees, just as these did not necessarily converge with the interests of African workers. So when, an African unionist recently cried, would the so easy invocation of « solidarity » between all the workers in the world stop being accompanied by protectionist measures in the rich countries? It was obvious that the very term of “delocalization” had quite other meaning, when it rang in the ear of an employee whose company was preparing to move out, than in that of an employee who knew he would owe his job to that same company setting up in his country. It would be wrong, in this respect to forget that the enlargement

of Europe had enabled the countries of the old Europe to considerably enrich themselves to the extent that they had carved out new markets in the East. Was it not just at the same time to, open access to markets in the West to these new countries? .

But if Europe had such a bad press in the world of labour, it was because European construction was experienced by governments, leading politicians and sometimes even by trade union leaders as a real constraint and not as an opportunity to collectively build a common interest. . in this perspective, Europe, represented not only a scapegoat but well and truly a temptation to use the community mechanisms every time they provided an advantage (that was often the case for France) and to reject the constraints when they did not mean a profit for the national State. It was for example very shocking to observe that France considered it normal that the stability pact which she had nevertheless negotiated and signed, did not really concern her, but that on the other hand, it had to be applied strictly to the “little countries” of the Union. Just as it was shocking to see, as soon as the Berlin wall came down, numerous French companies rushing to the East, and then hastening to erect « barbed wire » to protect their private preserve in the face of the assaults of the entrepreneurs of the « new Europe ».

This reality was perfectly well known to the political leaders. Nothing serious was done in Europe without the agreement of governments. ...

Moreover, if Europe had been capable of speaking with a single voice, it would have had the means to weigh on the course of globalization. By regrouping for example the vote each member State had in the ruling bodies of the IMF, Europe could have significantly modified this body’s policy and the spirit which animated it. . Second strong

element, Europe had been able to find concrete compromises, through what was qualified as the «social model», enabling *“living together”*. But the *living together* of tomorrow, the speaker insisted, would be even more difficult to maintain than that of yesterday, to the extent that globalization was contributing to harden social relationships as a whole ever more. The Europe region would then discover that it was only a little region in the world, and it would also be necessary to take account of the “return of the pendulum” following two centuries of colonization, when the countries of the North were manufacturing products intended for the countries of the South, reduced to the role of clients. This period had passed.

But Europe was also a source of hope for the rest of the world, to the extent that it was capable of devising innovative solutions for many problems posed by the organization of society. For example, the REACH programme, established by a European directive, was going to impose on every chemical company concerned the conditions in which some types of products would be marketed, with a concern for the protection of all the parties involved in that production : if this directive saw the light, Europe would have opened the way to the erecting of stricter rules for the benefit of employees, consumers and the environment. More generally, if Europe had been capable of defining a coherent foreign relations policy with the rest of the world, relations moreover differentiated depending on the regions of the world, it would have seen the opportunity opening of finding the supports to propagate its innovations.

Of course there were serious gaps, starting with that of a really “social” Europe. To meet this requirement, it was not a case of extending the labour code to all 25 member States. It was rather that each State should agree to provide itself with mechanisms on

the basis of common European orientations ensuring the redistribution of wealth in line with the specific culture of each country. The employees had many criticisms to make on this chapter. But they would have been wrong to level them only against the European authorities. On the contrary it was their State’s political leaders whom they should have blamed. Europe was in no way involved in the growth, seen almost everywhere, of social and economic inequalities. It was the national policies which should, in point of fact, have had the finger pointed at them, more exactly the income redistribution policies which made the social systems in place more or less effective.

The challenge Europe was confronted with, was to know whether or not it would be able to find the energy to reinvent its model. The fundamental values, solidarity, dialogue, openness remained of course the benchmarks of this new Europe to be constructed.. But Europe had to renew its model to make it compatible with a world that had changed and make it an entry key for other regulations on the scale of the world market. With this in mind, the role of a European trade unionist was certainly not to deny the interests of the French employees, but to see to it that the defence of French interests also took into account those of the employees of other European countries. So, it could be better understood why the CFDT should have fought with so much enthusiasm in favour of the **conditional** Treaty. The same went, indeed, in his opinion for the recognition of the charter of fundamental rights, considered as a valuable advance for the employees of many other European countries. For a Frenchman, the reminder of rights might have appeared useless, but certainly not for a Spaniard or a Pole, both of whom had still the memory of long years spent under the rule of at the least authoritarian regimes.

Europe is precisely that opening outside the national confinement.

The discussion with the hall

Hugues Puel came in the name of a certain number of people present in the hall to propose four questions :

1. *What type of responsibility could Europe promote in globalization ?*
2. *Did Europe constitute a positive and generous factor for Africa or, on the contrary, a hindrance to its development (question more specifically addressed to Mrs. Razifimbo) ?*
3. *Did not globalization represent a central threat for the social model the European Union intended to safeguard ?*
4. *More generally, was not the rest of the world the great threat for the European ?*

Lily Razifimbelo

Lily Razafimbelovoit **saw** the construction of Europe as the opportunity for cooperating on an equal level with Africa.. Far from dissymmetry, it would be a question of building relationships between partners of the same « quality ». So there was no need to recognize, in the establishment of this relation, the existence of supposedly insurmountable obstacles. The two continents had rather to make an effort to constitute an advantage of proximity for each. That should not make us blind to the existence of balances of power between the rich countries of the North and the less developed countries of the South. So there had to be the courage to put on the negotiating table the dossier of agricultural subsidies, the indirect fall-out of which was really catastrophic. More generally, Europe would greatly help Africa (and more widely the ACP countries) by reviewing its protectionist policies for a certain number of

products. We should also think of the invasion of Chinese products on the African continent, which was signing the death warrant of a great number of small craft workshops and local companies. Who would count the jobs thus lost?

Marcel Grignard, Louis Viannet and Toni Ferigo spoke in turn on the threats overhanging social Europe

Marcel Grignard

For **Marcel Grignard**, social Europe was already threatened from the interior, to the extent that it was always putting off until later the reform of the social systems which was becoming a glaring demand. Everyone dreaded it. Thus, in Sweden, there were questions on the future of a model which was nevertheless one of the most « successful » in Europe. Rather than consenting to lose acquired rights, these reforms would consist above all in inventing, structuring and launching new rights.

Moreover the temptation was strong for a number of member countries, to bring competition into play in the matter of falling labour costs, by lowering ever more the standards established by Brussels. The example had been given by Great Britain which succeeded in extracting a dispensation from the European authorities to the maximum working time, so that employees could be requested without opposing restrictions as far as their working time was concerned. But the incoming countries, the ten of Eastern Europe, were very tempted in their turn to enter the breach, and thus counter the effects of their lower productivity compared to Germany and France, by lowering their working conditions and increasing working time. This orientation had to be fought with determination. If each State counted on imposing its comparative advantage by exercising in this way an ever greater

pressure on working conditions and the level of salaries, the worst would indeed have to be feared. Finally, Europe had to be able to propose a policy equal to the industrial mutations which were asserting themselves brutally in all countries. It was urgent to invent forms of coordination between member States having the objective of not making the employees concerned bear the brunt of job cuts due to the accentuation of pressure within the European continent. Europe was constructed as from the 50's on a community effort for coal and steel, at a time when international competition was less fierce than today. It had consented large investments to respond to the industrial challenges of the time. But now that the situation was more difficult, it was suddenly reducing its efforts and economising its interventions.

Eloquent example : at the time of the social plan decided last year by Hewlett Packard, the President of the Republic had demanded the intervention of European authorities. A specific fund had therefore been set up, to fight against the effects of the restructurings. But its establishment raised many questions, to the extent it only intervened from the moment the number of jobs threatened in a same company exceeded one thousand. Because of this, it only succeeded in supporting companies which already had means and lost interest in the others. Still more significantly, it would only be called on for dismissals brought about by delocalizing beyond the frontiers of the European Union. However the greater part of the job losses in the countries of the European Union were not due to delocalization. From this it could be seen that a purely technocratic view of things or an absence of political will imposed solutions far from the real problem.

Louis Viannet

agreed with the perspectives drawn by Marcel Grignard, but insisted on the real source of the problems which were blamed too quickly on the decisions of a supranational body. In reality, all the Commission directives had received the backing of the European Council, constituted let it be recalled by all the national governments. So in all European countries the same observation could be made : fall in purchasing power, calling into question of social agreements, deterioration of working conditions, in the name of the necessity of increasing competitiveness even further. It was therefore that conception which had threatened social Europe.

The European Commission had even made it its vocation. So the directives on the liberalization of services were situated in the prolongation of national policies and were at the same time the emanation of the Commission's watchwords. In such a troubling context, it could be understood that the trade union forces of the countries of the Union saw the opportunity and the necessity of playing a growing role to defend social benefits, which should not be understood as fixed positions the lines of which would never be moved, but bases from which to find sometimes new responses, to enable employees to preserve acceptable conditions of protection for their rights and their status, even to develop them, taking account of the stimulating image which these advances might offer to the trade union movements in the rest of the world..

Toni Ferigo

Wanted to emphasise, for his part, the consequences of the demographic decline from which difficulties particular to the « European society » arose. The situation was not the same in all countries of Europe. The birth rate was extremely low in both Spain

and Greece. In contrast, in Sweden or in Finland, the birth rate had not fallen. But in these latter countries, the rate of activity of women is higher than in Italy or in Greece. It was therefore necessary to understand these differences in demographic behaviour as the effect of different social systems: the countries of the North of Europe were intent on encouraging the conciliation of the family life of women with their professional engagement. The countries of the South did not make any particular efforts in this area. It was true that the countries of the North accepted, in order to achieve this conciliation and social benefits in general, a high level of taxation from which the countries of the South shied away, when they did not quite simply condemn its merits. For Toni Ferigo, the most insidious danger which threatened the social standards controlling the world of work in Europe, was the subversion of social relations in the company by the very idea of individualizing the labour contract. Even in that temple of social negotiations which the German company represented up to now, this threat was appearing. To impede this evolution, Toni Ferigo proposed to place the base of social negotiations for the SME's at the level of the *territory*. In fact it should be clearly seen that there was a strong tendency to dismantle the solidarity inherent in union membership, so as to make the labour contract a face to face affair between the employer and the isolated employee. The stage of what the Americans called *unionism without unions* might be reached. Trade union freedom would be preserved, but the employee, even if unionized, would negotiate his contract on a strictly personal basis. This subversion of union logic dissimulated itself too often under great effusions of *social dialogue*.

At this stage of the discussion, Anne-Marie Grozelier, as general secretary of Lasaire, intervened to suggest that a certain number of questions, such as those on strengthened cooperation,

the territories, energy policy, and more generally the questions raised by the presentations of Joël Maurice, André Gauron or the afternoon experts, could be posed on the occasion of the Lasair Biennial of 2007.

A last and insistent question then closed this long evening. Hugues Puel asked it again: in what way could the European Union promote a « responsible globalization »? The replies would be brief, necessarily brief.

George Ross

Put up against the wall, to achieve this, George Ross would have thought of establishing more equitable foreign trade rules, a policy of humanitarian aid to poor countries, freed of any strategic ulterior motives on the part of the great powers which would have applied themselves to establishing some great rules in the matter of labour law applying on the global scale, so as to make the most extreme forms of human labour exploitation impossible.

Marcel Grignard

For Marcel Grignard, there would have been the urgent necessity to revise two or three aspects of the European Union's agricultural policy and associate with it a policy of cooperation with Africa. Also, it should be avoided that each of the great agricultural power blocks (North America, Europe, Australia) should continue practicing a bilateral policy with each of the countries of the South. On another plane, the unions present in big multinational companies, should have succeeded in signing framework agreements aimed at having fundamental rules in the matter of labour law applied, everywhere in the world starting with those

of the ILO. With this in mind, agreements had already been found signed by companies stipulating that these rules concerning the work of their employees should also be observed in the factories and workshops of their own suppliers!

But, noted Marcel Grignard, these framework agreements were all signed by companies having their head office in Europe. There was precisely here a striking illustration of the way in which the European Union could gradually become the driving force of the regulations to be imposed on globalization. .

Louis Viannet

Louis Viannet repeated in conclusion, that for Europe to become the driving force of this global regulation, it would also need the involvement and the permanent mobilization of the trade unions. The European works committees were also taking shape in the greatest number of countries beyond the borders of the Union. That was good news. More would be needed.

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