



11th BIENNIAL MEETING

**The Current Crisis in Europe is seriously disrupting
Industrial Relations**

**What solutions and what role can social actors play
to pull through**

REPORT ON THE DISCUSSIONS OF THE ROME SEMINAR

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THE CURRENT CRISIS IN EUROPE IS SERIOUSLY DISRUPTING INDUSTRIAL RELATIONS

WHAT SOLUTIONS AND WHAT ROLE CAN SOCIAL ACTORS PLAY TO PULL THROUGH

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INTRODUCTION

❖ **Fulvio Fammoni**, President of the Bruno Trentin Association, Italy

The title of the roundtables that will be conducted today and tomorrow shows all too well that this seminar is focused on the role of the social partners and on industrial relations. This comes at the right time, considering that three weeks have gone by since the European elections. This day is also a particular moment, as we are on the eve of Italy's European presidency, of which we shall speak presently.

On the wake of the European elections, we have noted that the European panorama is highly fragmented. There is a rise of right-wing parties to the detriment of people's parties which are the ones that have lost the most votes. The left has not benefited from the situation; it has declined in widely varying proportions from one country to the other. There are parties that exceed the 20% threshold of the European Parliament (quite a high figure in view of the forecasts) and these parties are today going to form alliances with others to create independent groups in Parliament. The number of Eurosceptics is also quite high. Against this backdrop, two referendums will prove crucial for the future of Europe.

This European vote must be interpreted in several ways, because there are trends towards the left or centre-left in certain countries, namely Italy, Greece and Portugal. The case of Spain is even more complex, but our Spanish friend will tell us about it in a little while.

Finally, we see that against a highly complex setting in the European Parliament and institutions, there is a trend towards a broad coalition as the only form of government possible. All this is going to create fundamental problems concerning the urgent choices that will have to be made in the near future. We note in particular a certain uncertainty as to the choice of the president of the European Commission and other important positions.

We all know that the summit on employment has been postponed. Initially planned to be held in Turin on 11 July, it will finally take place once the new Commission has taken up its duties. These proceedings will be held in a period of transition – a difficult post-crisis phase in which the European Central Bank is playing a role of alternate.

But let us get back to the issue at hand. In light of the foregoing, we can easily understand the importance of this discussion, because we are here talking about the role of the social partners based on proposals of the European Trade Union Confederation, on the juncture of an extraordinary investment plan for growth.

THE TREND OF INDUSTRIAL RELATIONS IN THE CURRENT CRISIS IN ITALY: WHAT CHANGES ARE IN PROGRESS? HOW CAN THE SOCIAL PARTNERS GET INVOLVED IN THE SEARCH FOR ECONOMIC, SOCIAL, INDUSTRIAL AND FINANCIAL SOLUTIONS?

❖ **Guy Juquel**, Project leader, Lasaire, France

This project is carried out in partnership with the Bruno Trentin Association, the Spanish foundations 1° de Mayo and Francisco Largo Caballero, the Greek Economic and Social Committee, the Bulgarian Economic and Social Committee, the European Economic and Social Committee (EESC), the German trade union IG Metall, the Belgian National Labour Council and, finally, the European Commission, which gives its consent and contributes financially.

The topic of our 11th Biennial is entitled: "The Current Crisis in Europe." It is a crisis which, since 2008, and with a renewed development in 2012, is radically shaking up industrial relations. We will examine what solutions can be proposed and what roles should be played by the social stakeholders to find a way out of the crisis.

The purpose of this project is also to gain a better grasp of the changes in progress in industrial relations owing to the crisis on a European scale, based in particular on the analysed situations in several countries such as Italy, Spain, Greece and France, but also Germany and Belgium, in the different sectors, branches and regions.

It is a matter of measuring the impact of the economic and social policies pursued by the different States under pressure from the guidelines laid down by the Troika, in particular; the consequences of measures to make the labour market more flexible, decentralise collective bargaining to companies, and change the methods of management, training and organisation of work in order to adapt to new jobs and international competition.

This project also aims to chart paths to social integration and greater solidarity that can constitute a positive

factor for getting out of the current crisis. We shall measure and compare the results produced by action undertaken by the social stakeholders and representative institutions in these different countries to find alternatives to the solutions currently put in place.

Finally, this project aims to restore the confidence of workers in the pursuit of European integration, which has been badly shaken by measures implemented by the European Council, the European Central Bank and the different governments, as attested to by the European elections, albeit at different degrees depending on the country. In any event, France has shown great reticence to European integration as it is currently pursued.

To that end, our project shall comprise three seminars to gauge the national situations more closely:

- The first was held in Athens on 29 November 2013. An exhaustive report on that seminar is contained in your documents.
- The seminar in Rome today and tomorrow.
- The third will be held in Madrid on September 18th.

Finally, a meeting on 23 January 2014 with the European social stakeholders in Brussels enabled us to grasp the European approach of the main European social stakeholders such as BusinessEurope, the European Trade Union Confederation, the CEEP¹ and the Belgian trade unions. A concluding conference, scheduled for 27 and 28 November 2014 at this time, will be held at the regional council of Ile-de-France. It will afford an opportunity to celebrate the 25th anniversary of Lasaire, in the presence of founding figures of Lasaire and those who have supported this social laboratory and have enabled it to develop. The life of Lasaire has been marked in particular by the contribution of numerous Italian figures, including of course our late lamented friend Bruno Trentin.

All these initiatives bring together trade union and employers' representatives, economic and social experts, and academics from different Member States. Two of the three topics of the Biennial will be broached at each seminar or conference. Today, we will deal in greater detail with topics 1 and 2: The trend of industrial relations in the current crisis: what changes are in progress in the systems for the organisation of work and worker participation in boards of directors? What developments are taking place in business management methods? What training policy for what jobs? Each preparatory seminar for the concluding conference in Paris is to be attended by some fifty participants.

I would like to say a word about the Athens seminar to try and retrace the main issues discussed and the first ideas that ensued. This seminar confirmed the extremely dire nature of the social and economic situation in Greece, particularly as a result of the measures taken by the Troika² to enable the country to obtain financial aid.

We have noted that the minimum salary there is €586; that the scrapping of extensions of bargaining agreements is leading to a rise in individual agreements; that a new legislation facilitates mass redundancies and that the unemployment rate has quadrupled since 2008, standing at 26.5% and 57% for young people. We are witnessing an increase in the flexibility of work to the detriment of full employment, while the scrapping of collective bargaining is a characteristic very much emphasised during this seminar. GDP in Greece has declined by 25% since the Troika's measures were applied. Austerity is causing a general drop in the standard of living. Purchasing power has been reduced by 46%. The loss of income of civil servants is as much as 40%. The poverty rate, as measured by Eurostat, amounts to 23.7% of the population at this time. The minimum wage for young people is below €500, whereas it was €700 before the crisis and the measures.

The new element, brought to light and observed by the European Union, is the interventionism in the independence of the social partners, as the Commission has recommended that countries do away with certain social rules: the abolition of protections relating to employment, reduction of salaries in the public sector and the economy as a whole, incitement to decentralise collective bargaining. In the three countries subject to the memorandum (Greece, Portugal and Ireland), the Troika's actions have nearly replaced the governments in power and have led to a near total destruction of the system of labour relations. The Greek case may be extreme, but is not the only one in Europe.

The conclusion that can be drawn is that economic and imposed deregulation policies have produced no economic results in terms of recovery and growth, but have made the social situation worse and destroyed collective bargaining. As to the alternative solutions proposed by the social stakeholders, the Athens seminar highlighted several issues on which said stakeholders are working.

First, there is the question of an investment plan for Europe to renew growth. We delved in particular in the project of the European Trade Union Confederation which has proposed a recovery plan of 2% of GDP, or €240 billion,

¹ European Centre of Enterprises providing Public Services.

² European Central Bank, European Commission and the International Monetary Fund.

financed by the European Investment Bank and/or other modes of financing. It remains to be seen where we stand today: Have we made any progress? What do the social stakeholders think?

We discussed a great deal the demand for a minimum wage in Europe, as an extension of the agreement of the CDU-SPD³ coalition which contains the implementation thereof in Germany. It is for that matter decided now. In the course of the Athens seminar, we have assessed that the approach can be different, depending on the country, as in Italy, for instance, where we saw that the question was posed in a very specific manner. It would be interesting to know: Do we still think that it should be taken forward in the different European countries and if yes, how should it be done whilst taking into account the specific aspects of each member?

It is also important to think about the growth we want for Europe, and we must not consider only the recipes of the past. It is crucial to focus on managing resources frugally and on treating waste. This requires a great deal of grey matter and technological innovations.

Finally, we have broached the question of the enlargement of Europe and considered that it would be a good thing not to remain blocked to a Europe of 28. With regard to the relaunch of European integration, the search for solutions that would make it possible to strengthen European integration on the social, fiscal, banking and environmental fronts from the Eurozone is decisive.

These, then, were the topics broached at the Athens seminar. The Rome seminar will focus on the economic and social situation, but also on the second topic, not dealt with in Athens: namely the type of development of the management system, of worker participation in business management bodies, and of policies for the organisation of work, training and employment.

We are very interested in your assessment of the Italian policy, in particular the proposals tabled by the new president of the Council – an assessment which constitutes a key element for our discussion. This is what I wanted to say by way of introduction to our 11th Biennial.

❖ Fulvio Fammoni

Thank you. To this picture you have drawn for us (the bankruptcy of austerity rationales), we could add the effects of depression and deflation that this has had on the European situation, as well as for the need to go from fiscal competition (fiscal dumping) to *social competition*.

Immediate choices are called for at this time: choices that must not be subjected to treaties. It is necessary to get the social partners and social forces to participate and return to the social dialogue on which Europe was founded and developed. Unfortunately, that is not happening in Brussels. Build consensus would have been capital, and it is obvious that the rationales still in use today, which are those of the IMF or recommendations of the Commission, are henceforth obsolete and useless.

We shall try to veer the discussions again on the priority of employment under the topic of the role of industrial relations.

In this first session, we will deal with the trend of industrial relations in Italy. We will listen to Mimmo Carrieri and Udo Rehfeldt, and then discuss the matter with Rodolfo Benito Valenciano, Luigi Sbarra and Luc Voets.

❖ Mimmo Carrieri, Professor at the University of Rome, Italy

Thank you for your invitation. I am going to try to talk about some general characteristics in the developments and certain specific Italian traits. Then, by way of conclusion, I will try to chart an innovative path to follow.

The starting point is obviously the diminishment of industrial relations that we saw thrive in the 20th century: the scientific discussion is vast. Many researchers state that industrial relations are less important than at other times and that their regulatory capacity has declined in the last fifteen years. It is a situation in which the relations of strength in companies and social systems are particularly favourable to employers.

There is one point, I believe, to be underscored in all the scholarly analyses of this aspect, namely that whereas a large segment of social researchers were optimistic just a few years ago as to the viability of certain national systems of industrial relations, such as Scandinavia, Germany or other countries, today they all agree that the national institutions of industrial relations, even those which were strong in the past, no longer suffice to provide adequate protection for

³ In Germany, the Christian Democratic Union (CDU) and the Social-Democratic Party (SPD).

workers from the consequences of economic globalisation. In some countries, the crisis is deeper than elsewhere. We have heard about the situation in Greece but there is nonetheless a general trend for everything that concerns social protection systems.

The indicative trend of this difficulty is in particular the decrease in the weight of major national sector or inter-sector agreements, which regulate less and less a significant part of the labour force. At the same time, we can also underscore that contractual coverage has withstood the crisis well, except in certain cases, as in Germany.

We have valuable data on unionisation between 2000 and 2010, thanks to one of the most important contemporary Dutch researchers working on the compilation of statistical information concerning trade unions. We observe that there are important countries where unionisation is concentrated. Italy, which has important data, registered yet a small increase in unionisation among gainfully employed workers, while that of retirees increases the overall statistics. The rates in France and Sweden are still high; there is a reduction, albeit not dramatic, in the UK, but without any comparison with the unionisation levels of that country in the 1990s.

I must reiterate that these are estimates, and not verified statistical data. The difficulty of multi-employee agreements corroborates the strong decentralisation of bargaining, i.e. many agreements are signed in companies, but are they the core of the negotiations undertaken in the different European countries?

It is a theory that we find in the scholarly discussion, in particular in an article by Lucio Baccaro, an Italian researcher who adheres to the thesis of a convergence in this direction in the different European countries, but I think that the trends are a little more complicated – there are nuances. Agreements have been concluded in a context of decentralised companies, but we do not have a quantitative generalisation on the different national situations, at least when we look at the most significant statistics.

Rather than speaking about a “deregulated” or “disorganised” centralisation, as some researchers do, we should focus on the fact that the prevailing liberalism trend, which is fed by the European institutions, helps to shore up practices that favour deregulation. We can therefore say that we are not faced with the triumph of decentralisation nor the triumph of a disorganised decentralisation. The categories that I use are those of Franz Traxler, a German researcher.

I would add that we come across an organised decentralisation in the most important European countries: company agreements are developed within a framework and are subject to rules defined at the national level. Put another way, there is no decentralisation in the anarchy of collective bargaining.

How is the weakening of industrial relations to be explained? We could obviously provide many answers. The first would probably be the rather generalised reduction of the influence of trade unions. Membership in trade unions is falling. Italy and Belgium are the exceptions to this rule, but there is a downward trend in other countries.

The second answer would be the increase in the capacity of companies to bypass the constraints imposed by national legislation. This is another consequence of globalisation.

The third point that would explain this weakening would be the lack of links between governments and trade unions. Governments are no longer beholden to the consensus of trade unions. They have discovered that they no longer depend on them when it comes to social and economic policies. They have become more independent and are no longer bound by these constraints. It is not a positive development and concerns both right-wing and left-wing governments.

We now have a government in Italy that is on record as wishing to forego the contribution of trade unions in the decision-making process and to decide independently after having listened to the social partners, of course. The government has stated its own independence from all the social stakeholders, be they employers’ or workers’ associations. The employers are here confronted with a problem of legitimacy in the public domain. This scenario cannot change if European policies on development and employment are not transformed. What is needed in this respect is a real European area.

In the introduction, I heard a reference to proposals on European investments for growth. I believe that all that is important, and that an impetus must really be given for the choice of Community guidelines. But from the social and trade-union point of view, we might prefer the position of certain associations -- such as the CGIL, which has proposed a plan for employment, for instance – because they give pride of place not to yet another key element but to investments for the creation of jobs. As such, the traditional way in which policies are broached is reversed. It is a point that requires close attention, because European trade union policies are in step with certain recipes that have had

limited success, even in cases where these policies were really implemented.

Against this background of widespread difficulty, the Italian situation was already weaker and more delicate, since it had long been entrusted to the will of the parties. Instead of strong institutional rules, we had a sort of weak regulation in place entrusted to the goodwill of the social stakeholders. This context suffered the consequences of several events, but this framework showed that informal regulation no longer worked for industrial relations in the Italian system.

The social partners were able to tackle the problem and engaged in extensive activity, especially in the last two years, when several agreements were reached on subjects as different as the representation of trade unions (an issue that has never been settled in Italy), development or productivity, all for the purpose of not only modernising the Italian system but also aligning it more with the system of the country's main European partners.

In my view, this reflationary effort is crucial. The aim is to reinforce, through clear rules, the capacity of providing certainties, especially as regards the validity and extension of agreements to all stakeholders: companies and workers. In certain sectors, a certain uncertainty relating to the validity of collective agreements and the choice of social partners have tried to fill this gap.

This effort was waged whilst pursuing the path to flexible institutionalisation which, in certain cases, even afforded the opportunity for access to readjustments of a legislative nature – and we will agree that governments are necessary to make laws. As to the current Italian government, although we do not know what will actually happen, we can nonetheless say that it is an active government that is reclaiming its decision-making capacity and is determined to enact laws on worker representation, although this is still a field characterised by many uncertainties and a sorely lacking definition.

The real question is the following: can the social partners re-launch, together, a bilateral and balanced regulation area as had been the case in a large part of the 20th century?

The core of such a strategy must be the negotiation in the workplace, not only at the national but also at the company level, where the stakes are innovation in organisation, the company's capacity to improve its performance, growth, development of the skills of workers, and a capacity to adapt the continuous training mechanisms.

These stakes can be sustained from the legislative point of view by laws on the representation of workers, possibly at European level, and that entails a change of paradigm in Western trade unions. In general, we have noted a certain hostility to decentralised bargaining on the part of the latter. The trade union movements of Central and Northern Europe have always considered an agreement in the company as a problem and not as a resource, but I believe that the trade unions must increasingly give greater thought to decentralised negotiations as an opportunity to meet efficiently the subjective demands and requirements of a large part of the workers. It is an adjustment that suits both parties and makes it possible to take into account the prevailing parameters when it takes place.

Germany and Sweden aside, the United Kingdom, Italy and France have a lot to do to affirm bilateral contractual tools that improve team work and an organisational system geared to performance. The aim is for them to use trade union relations as a key to transform companies so as to improve their competitiveness. For the Italian situation, it would appear that hierarchical relations take priority over innovative organisational arrangements.

In conclusion, we can say that the changes that I have just described, which require adjustments in industrial relations and bargaining, show the need of going beyond institutions. More social actions are admittedly needed, but only in part. The consultation crisis is rather widespread, but we can read it in several ways. One thing seems positive to me: the parties, who have to learn to be less dependent on public and institutional resources, must rely more on their capacity for social actions and for reaching consensus.

I nonetheless believe that it would be wrong to abandon the idea of building new institutions for labour and industrial relations equivalent to those of the Ford era, and that trade unions must give priority to the question of social legitimacy and collective action in the current social context. I would like to cite here the practices of community organisers, who form a positive movement for the development of trade union movements, even if the Italian experience, among others, shows that the strength of trade unions is linked to several systems of action, and that we must not stay outside the domain of institutions and their reconfiguration.

❖ **Udo Rehfeldt**, Researcher at the IRES, France

I will start with the general trends so as to be able to situate the case of Italy afterwards. Mimmo Carrieri and I have found broad areas of convergence. My presentation will describe ideas quite close to his, which should not come as a surprise, given the fact that we have known each other for thirty years.

My presentation is based on two collective studies conducted at the IRES in France, starting with the concept of social democracy. Those who attended the Athens seminar are already familiar with this part of the presentation.

Social democracy is a concept used especially in France. Elsewhere, the term “industrial democracy” is used. How can we define it? We have identified two aspects which are complements to political democracy for social regulation. The first form is the participation of the social partners in policy decisions through consultation or tripartite agreements. The second is an autonomous sphere, as Guy Juquel already pointed out, in particular collective bargaining, which is a bilateral form. We find widely diverse balances between State intervention on the one hand, and the independence of the partners on the other.

The crisis has radically changed these balances that had been established since the end of World War II in most countries. There is first, in the face of a growing unilateral State intervention, a change in the balance between State intervention and the social partners, and then there is a change in the internal balances in the regulatory sphere by the social partners themselves.

Mimmo Carrieri has shown that this change with regard to the forces may be gauged in the unionisation rate, the development of the rate of coverage by collective bargaining agreements, and also through a development of industrial conflicts, which is down everywhere in Europe. What is new, is the increase in external interventions that are noted alongside the generalised increase in unilateral State interventions which lead to austerity policies in particular. Guy Juquel mentioned these two forms: specific recommendations, which are addressed to nearly all the countries of the European Union, and the Troika’s memoranda, which are addressed to three countries only for the moment, with the objectives that we all know.

As regards the sphere of autonomous regulation, we see everywhere demands for employers to decentralise collective bargaining; but a common demand from employers’ organisations does not necessarily lead to the same type of effective decentralisation. We have tried to distinguish three theoretical developments: the destruction of the mechanisms of social democracy, the rise of State unilateralism to impose decentralisation and the “coordinated decentralisation,” to use Traxler’s term, flanked by a central agreement by and between the social partners. A fourth case would correspond to functioning that would remain unchanged or would be reactivated, even in times of crisis.

Our collective research has yielded a multiple reality; in Greece, the extreme case of a complete destruction of the previous system, but also in the large countries of the Eurozone, where we tend to see half-way situations: in the North, particularly in France and Germany, where we see a reactivation of consultations at the top concurrently accompanied by decentralisation; in the South, Italy and Spain, we have first an attempt at unilateral State regulation, then in a second phase, a reactivation of consultation at the top to flank decentralisation.

From this point on, I will speak essentially about Italy which went through an attempt at unilateral State regulation first. This was actually attempted by the Berlusconi government which tried to impose company agreements containing derogations by law, entailing subsequently renewed control by the social partners, chiefly through agreements with the employers’ confederation, Confindustria, so as to use the negotiated agreement rather than the agreement by law imposed by the government. Conversely, we have noted a relative weakness in company agreements in Italy, whereas, theoretically, whether by law or collective government agreements, agreements containing derogations would be possible. The extreme example of the case of Fiat is conclusive, but remains isolated in Italy. Few employees are really covered by company agreements – apart from in certain industrial companies. I will not go into details, but even in the last phase, we note that there are few agreements containing derogations or crisis agreements.

Another important element for the trend of industrial relations in Italy are the agreements on representation, particularly two new inter-confederal agreements, which is very important to mention because they are unitary agreements, signed by the three trade union confederations – a new development by comparison with cases where there were separate agreements in the past that had not been signed by the CGIL. These agreements regulate the validity of company agreements and sector agreements, with quite an interesting and typically Italian combination: A comprise between elements of direct democracy (vote by the employees themselves) and new rules of representation (which existed previously in the public sector, but which are now enshrined in the industrial sector) whereby representativeness is based as much on the vote as on the number of members. Here once again is a compromise between two approaches, namely the approach of the CISL⁴, which prefers the indicator of members, and that of the

⁴ Italian Trade Union Confederation.

CGIL, which prefers the rule based on the vote of unitary trade union representations.

I shall anticipate two conclusions: one of them, rather positive, is that the Italian model, which relies on a proactive approach, is quite reliable. The British had a similar model, which collapsed under the legislative blows of Mrs Thatcher's government. This Italian proactive model is a rare example in Europe: There is no legislative intervention in the contractual relations outside the legislation of support for the status of workers, which provides legal means to trade unions to be present in the companies. Nevertheless, there has always been extensive abstention outside the public sector, where rules imposed by law are very strict. So here is a success story of the proactive model, which can be seen through a stable coverage rate, a stabilised unionisation rate (after a fall) and the trade union resistance to derogation which I have already mentioned.

That said, more problematic aspects remain that show the limits of this model. The first is the weak negotiation of centralisation. There is potential here that remains to be capitalised on. On the other hand, we note a wage moderation over the recent period that has had very negative effects, causing a stagnation in growth and productivity, and causing competitiveness problems. This is explained by the fact that companies tend to use wage moderation to base competitiveness on wage costs, instead of looking for available niches for competitiveness based on innovation.

Another aspect shows the limits of the model, namely the neglect to participate in management. There are projects and initiatives at this time to introduce it (which we will discuss tomorrow with Aline Conchon's presentation). Another limit: the restricted application of representation agreements I have mentioned, which are applied or applicable only by companies which are members of employers' associations that sign these agreements. These agreements, for instance, are not applicable by Fiat, which quit Confindustria precisely in order to put its own system of industrial relations in place.

I think that legislative action is ultimately needed to make these agreements applicable by all. For the moment, they are not applicable *erga omnes*⁵. I must reiterate that Confindustria is undeniably an important organisation, but does not cover the tertiary sectors, which are increasingly more numerous in Italy.

Finally, I will close with another limit which is that of contesting the political role. It has a long history, which started with the government of Berlusconi, then with that Minto, who through that consultation was to blame for Italy's ills, and now, it continues, at least verbally, with the Renzi government, which thinks that it does not need social partners.

❖ **Rodolfo Benito Valenciano**, I° de Mayo Foundation, Spain

The Francisco-Largo-Caballero Foundation is represented by its director, Almudena Asenjo, here at my side.

Very interesting things have been said. I have three things to say concerning Europe. First, I believe that the importance of the choices made must not be overlooked. The high rate of abstention during the last electoral period in Europe confirmed the distance separating voters from political leaders and the European authorities. We have also noted an increase in votes cast for xenophobic parties and a general fragmentation of European policy. In Spain, we have witnessed a significant rise of the People's Party while the Socialist Party has lost grounds.

Beyond a national discussion, we must focus on the feeling of citizens who see the European Union as a problem and not as a solution. I think that the European Trade Union Confederation took very fine initiatives before the elections. Admittedly, it took a long time before it adopted a clear position. Finally, innovative elements emerged, because real problems must be taken into account in the short term: unemployment, low wages, and social problems.

In the wake of collective bargaining, decentralisation is not the only priority; content matters as well. Is there collective bargaining that we can really decentralise? It is necessary to see whether a company agreement like this could intervene in a national collective bargaining agreement and determine how a new agreement can reflect the contents of an agreement that has existed for twenty years. This concerns all of Europe. The discussion is very interesting, but we must go beyond definitions.

I find three ideas interesting. After the elections, and the massive abstention which we witnessed, the end of austerity has emerged as a central issue. We are dealing with a starting point for discussing other subjects. The austerity policy has been lethal for the economies of all of Europe, whereas when we speak of collective bargaining, we must know whether the social model we are going to put in place is going to change the economic model; because the current model is that which feeds the austerity policy. How do we expand democracy now? How do we attain real

⁵ With regard to all.

democracy? And there, as you know, *social welfare* assumes its full importance. Democracy exists because rights exist.

From there, we can open the discussion about trade union participation and the links between citizens and trade union representation. But how are occupational and industrial relations to be regulated? Initiatives that have produced very good results for citizens and workers alike must be considered. If there is an agreement between entrepreneurs and trade unions, and it is not accepted by the government, the capacity for dialogue between trade unions and employers is doomed to be limited. But I think that from the point of view of the company alone, we can also meet the interests of all the workers.

As regards economic democracy, we must not simply talk about the distribution of income and of wealth, but should also understand the role of the State in the economy. We have to relaunch the industrial economy. As part of Europe really needs industries, it is up to us to choose an economic model that could deal with economic cycles and instability.

I would like to conclude by calling for more Europe, but also for searching new means and resources to build it – with a new taxation system, and a new role for the European Central Bank. The recovery of the economy must be perceptible to citizens; otherwise we will face a real explosion in Europe.

We are going through a very difficult period in Spain. We have our priorities, but there is a lot of poverty, unemployment, and the question of inequalities that has to be taken into account in a broader framework, because they are not only the result of the financial bubble but are also due to the crisis in which we all find ourselves.

We want to move in one direction. We have worked with the universities and agree on the fact that the crisis depends on the failure of countries, on the collapse of the economy. The social State must be re-established: it is the best-case scenario that we can consider for Spain, let alone other countries.

The wage devaluation is also a crucial element for the drop in investments, and has had major repercussions on employment. Austerity measures will weigh heavily on the economic recovery. If we want to bounce back, we will have to change model, find a new way of doing things that secure stable jobs – good jobs that come with rights and not precarious ones. Paradoxically, there are temporary jobs that can lead to rights, and permanent ones that do not.

I would like to remind you that when the Spanish government said that it could do without us, the trade unions, a campaign was launched against us. It is true that we had difficulties at the time, problems with reputation, but not with representation. As I already said in Paris, court proceedings were introduced against trade union representatives who took part in strikes. Unionists were prosecuted, and the prosecutor even asked for 64 years of imprisonment for 8 persons.

You see, there are proceedings in progress against the trade unions. We could even speak about a real criminalisation process. It is a really serious problem for us, which I wanted to underscore.

❖ **Luigi Sbarra**, Confederal Secretary of the CISL, Italy

I would like to thank you for this invitation and for the opportunity afforded to us to contribute to the work of this important seminar. Much has already been said, and I share these observations on the European and national context. We are plunging ever forward in a difficult, uncertain and problematic phase.

Economic and social data show many of the difficulties that complicate efforts to get out of this crisis: the sizeable drop in investments, redundancies that are multiplying, inequalities on the rise, and then, with all that, the worsening of certain conditions due to regional imbalances. I think that we should bear in mind our commitment as an Italian and European trade union movement. Our commitment is very strong and the Troika should be reminded that real, urgent actions have to be taken to relaunch growth in investments and employment, through policies that do not rely on rigour and austerity.

I hope that the coming six months under the Italian presidency in Europe will provide an opportunity to wage a battle in order to relieve the imposed constraints and to arrive at a strategy focused on recovery.

As we have said for a long time, I think that intervention is urgently needed – an intervention aimed at separating resources relating to productive investments, particularly for the research and innovation sectors. At issue is to get out of the straightjacket of the stability pact: It is a battle that must be waged jointly, in Europe as in Italy, because the economic and social indicators from centres for statistical studies show that Italy is in a more difficult

situation than other countries.

A government document on the economy and finance did not contain clear choices in favour of development nor well defined initiatives for public or private investment, or any concrete support for business activities in the manufacturing sector. There are no precise choices. We are vaguely trying to understand what lies ahead for the social commitment in relations with the government, but in Italy, it is a question based on labour rules.

We are in the umpteenth reform of the labour market, presented several months ago by the president of the Council. Comments are needed, because in the first version of the Renzi document, which dates from a time when Renzi was not yet prime minister, contained an important statement to the effect that jobs could not be created by legislative measures and that what was needed was a strong commitment to the contextual policies in accordance with particular development factors. It is an essential condition to improve and raise productivity. In this document, there was a commitment to historical issues, such as the reduction of the cost of energy, the restoration of fiscal balance, reduction of expenditures and the cutting of red tape. Above all, this document stated that our country had to focus on drawing up an industrial plan in the different sectors: tourism, culture, agri-foodstuffs, construction and the “Made in Italy” label.

Now, at a time when this project is expected to take shape, we are concentrating only on the fact that the document in question focused on the amendments to labour-related rules – changes which are not very useful if they are not based on growth. These new rules can facilitate certain things, but the fuel needed to restart the machinery of work is vital. A new industrial policy strategy is needed: for instance, qualified and optimal use of the countless resources from the European Union. At present, these resources are not capitalised on or utilised because of a lack of attention in local policies.

There is much talk about the reforms necessary – this government is constantly talking about it – but we would like to see greater determination in the face of exploding unemployment, this constant multiplication of redundancies, this wave which surges and devours hundreds of thousands of people. We are radically committed to this issue.

We recently embarked on launching our own platform with an agenda of reforms. The stated priorities include growth of employment and industrial policy, but also two other horizontal priorities which are fundamental for us. First, an in-depth fiscal reform, namely the reduction of the tax burden on wages, retirees, and the revenues of businesses that invest in research and innovation in the manufacturing processes of products, and finally companies that hire. Our second such priority is the issue of benefits.

We have lived in a peculiar context for several years. In our view, industrial relations constitute one of the factors on which the economic and social recovery should be placed. The start of this course can be identified in a document from May 2008 drawn up by three Italian trade unions, followed by inter-confederal agreements with the employers – agreements which ultimately showed a real renewal in industrial relations. It was in close connection with the rapid changes in economic and social scenarios. The fundamental points were reliability at different levels of negotiations, the certainty of rules, the application of agreements, the transparency of representation by trade unions and the degree to which workers reached consensus on contractual actions in the different phases.

The new system redefines the national agreement in terms of rules, general and sectoral standards, while the safeguarding of wages develops new integrative and contractual welfare rules and plays the role of a centre for the regulation of industrial relations.

The second level of negotiations, reinforced by the agreements of these last years, was implemented as much to deal with the crisis as to promote growth and investment in order to find shared contractual terms and almost customised solutions for different market organisations, according to the social contexts; a decentralised level of negotiation for companies and regions, in other words, that is more flexible and adjustable and is geared to improving production, innovation and enhancing vocational skills. It is a choice for a broadened field of second-level negotiations based in particular on measures that have also brought into play important resources to finance agreements on reducing employment costs.

There are fundamental stages in this path to modernise industrial trade union relations: the extension of collective agreements in 2011; the agreements on representation in 2012; tenure; the negotiation framework in 2013. We are here referring to the consolidated agreement on trade union representation signed with the employers in January. This is not the only agreement of course, since only a few months afterwards, an agreement of the same type was signed with the cooperation sector. We are currently working on an agreement with the trade, crafts, SME and agriculture sectors.

The agreement signed with the employers is not an isolated case. There is strong awareness of the value and meaning of this agreement which has to be extended to other employers' associations. The principles contained in this agreement can provide workers and employers assurances to conclude collective negotiations at all levels with clarity and efficiency.

As such, we can say that our system has been modernised, has become more responsible and above all more attractive. It can help us attract Italian but also foreign investors, and be a key element in the economic recovery process. From our point of view, we provide a two-level bargaining system: on the one hand, with a national collective agreement that becomes a centre for regulation, and on the other with agreements aimed at stressing the recovery of productivity, efficacy and organisation shares.

We think it strange that, at a time when the social partners have shown a capacity to stress the value of industrial relations through negotiation, the government is at the origin of provocations such as those contained in the bill on work, where the possibility of a legal minimum wage is raised.

It is an incorrect and dangerous practice, in conflict with the history and tradition of our country, which has always seen bargaining as the best tool to protect wages and remuneration. We are not convinced by this line of thought based on a comparison with Germany, where a trade union is asking the government for legislation on a minimum wage. There are no national agreements there, only state (Land) – level agreements. In Italy, thanks to the 400 collective bargaining agreements that we have, more than 80% of workers are concerned. We do not see the need to replace the different minimum wages based on those agreements through a single law.

In my opinion, the independence of the social partners has proven its worth in our country. That is the reason why we are concerned and puzzled at the CISL. That said, if it is a matter of using forms of minimum wages to arrive at types of agreement in sectors where the trade unions are not responsible for negotiations, for example for the self-employed, then it is a completely different rationale. A contractual minimum wage would then have to be defined that would serve as a reference for a certain type of contract, which collective bargaining was not able to reach. Targeting the workers remains an enormous risk, in our view.

❖ **Luc Voets**, Former Director of the Department of Studies, FGTB, Belgium

This was an excellent report, several elements of which are recognisable in Belgium. I would like to start on a positive note. You have mentioned the development in the unionisation rate. In Belgium, it is doing fine. The number of members in the three Belgian trade unions is growing every year. We know that there are elements to explain this trend, particularly because trade unions pay the unemployment benefits, and there are important right-wing parties (those that won the elections in Belgium) who see it with suspicion and ask for nothing better than to do away with this service that we provide to our members. So there is no room for euphoria. The work of trade unions in recent years has been defensive, aimed at saving a maximum of the attainments, without being able to make enormous progress at the same time.

Like other European countries, Belgium had to introduce measures to cut the public deficit in its budget policy. We tried to prevent the largest part of the deficit reduction being achieved through brutal cuts in spending. Without any great visionary fiscal reform, there was a mix of tax increases and expenditure cuts. For example, a painful measure to reduce expenses consisted of increasing the degressivity rate of unemployment benefits in time, but the particularly Belgian feature, which consists of granting benefits without time limit, was maintained.

Early retirement was made far more difficult; prevention of redundancy, in case of restructuring, for workers older than 52, who have a difficult time finding a new job, was maintained.

Some measures made it more difficult to combine working life and private life, but the system was preserved. The budget item intended to improve social allowances for patients was reduced, but there were improvements for small pensions.

There were measures that were painful, at times very painful, particularly in the regions hardest hit by unemployment, but the essential was preserved. Macro-economic figures show that Belgium fared much better than other countries (except Germany).

The inequality gap did widen substantially as in other countries. The ability to stem this process is explained by certain characteristics of our social model: the automatic indexing of wages, the existence of an inter-branch and

sectoral minimum wage, and the social security system which was maintained.

That said, these winning assets are coming increasingly under pressure. To understand the situation better and to illustrate what has been put forth by the speakers, namely that the State is intervening more and more in the independence of the social partners, this limitation of independence of the social partners in Belgium is explained by a law that was enacted eighteen years ago, but that is being applied more since the crisis. It requires the social partners to take account of developments in wages in the three neighbouring countries (Germany, France and the Netherlands) to estimate the maximum intervention margins in wage increases.

The trade unions opposed this law, because it limits their independence and affects their freedom to negotiate.

Nevertheless, a certain number of elements of this law are not detrimental to us: it provides for maintaining the automatic wage indexing system; it guarantees wage developments according to the established scales and requires the social partners to take cultural aspects of competitiveness and the employment situation in neighbouring countries into account when calculating the available margins for wage increases.

Employers' organisations can thus be made to assume their responsibilities for the advancement of investments, research and development, training for workers, etc.

The problem is that in the absence of an agreement between the social partners, among other elements, if wages increase faster in the three neighbouring countries, the government can intervene and freeze them. This changes fundamentally the relations of force between the trade unions and employers' organisations in the wage bargaining process.

Another element: this law has a blinding effect, or that in any event has been our experience. Only developments in wages are taken into account, and employers' organisations refuse to wager on the structural competitiveness of companies because they are supported by governmental authorities to impose a wage freeze.

This is what has happened in recent years: in 2009-2010, we had negotiated a real increase of €375 in two years at the inter-branch level; for 2011-2012, the real maximum increase was 0.3%; for 2013-2014, the government imposed a wage freeze. In such a wage freeze situation, the other discussions at the inter-branch level are virtually impossible, unless there is intervention by the government, which was the case to harmonise the blue-collar worker status.

The employers' organisations have always relied on the report on competitiveness to claim more and more public support: reductions in taxes and social security contributions by employers. They accepted to move forward on other bargaining issues only on condition that they be granted a reduction in employers' contributions. For example, the employers' organisations accepted to reach an agreement on the budget so as to improve social security benefits (unemployment, sickness, pensions, etc.) – the choices of using this budget envelope were made by the social partners – only if they obtained a similar envelope of reductions in employers' contributions. It was a matter of give and take. If the government proposed €400 million to increase social security contributions, they demanded the same sum for employers' contributions to improve the company's performance.

Needless to say, the current context (money lacking and pressure exerted by Europe to reduce the public deficit) serves to explain the blocked inter-branch consultation. This was cited as a broader problem by one of the two speakers.

If we take stock of the consultation in the last three or four years, we note that we have been on the defensive and endeavoured to preserve our attainments. There is still a minimum wage, and consultation is not decentralised thanks to the very law that requires introducing a general rule for wage increases, which applies to the sectors and companies. This has checked the movement to decentralise social consultation.

The elections held in Belgium brought to power a right-wing party that has a certain number of priorities to bring about fundamental changes to the Belgian consultation system. It wishes to do away with it at federal level and have it shift to the companies.

They cast a very critical glance at the financing of unemployment benefits by the trade unions. Finally, they want to do away with the automatic wage index, and recommend that the compensation allowance be negotiated as is done in other countries.

All this makes us extremely concerned, all the more so as consultation has ground to a halt. We therefore continue to be faced with several challenges: instead of focusing all our discussions on the wage cost, which is responsible for only one third of the loss of market power, in regard to competitiveness and the strengthening of the economy, it is imperative for the social partners to discuss structural aspects, the type of product we create, innovation,

research, development, training for workers, exports, and to address these major elements aimed at sustainable growth.

I concur with what the first speaker said: there is certainly a new field for social consultation, which encourages workers to get trained so that they can get involved in the discussion on the investments and innovation in the company.

There are tools that enable boards of companies to situate their company in a sectoral or inter-branch context for research and innovation. We have to help workers and representatives to avail themselves of the opening of the discussion on the organisation of work in companies and appropriate training.

In view of the fact that studies clearly show that independence at work has consequences for the health of workers, promoting it is a major trade union issue for the future.

Another important element mentioned by other speakers concerns a fair fiscal reform. We have to work on it at European and national level.

If we are in the process of losing independence in wage negotiations, it is important to re-focus and to work on the idea launched ten or fifteen years ago, namely of having wage coordination at the level of the European Trade Union Confederation, or at the level of neighbouring countries, which could constitute a sort of laboratory as we have tried to create within the Doorn Group to organise the wage developments together.

DISCUSSIONS

❖ **Jean-Louis Moynet**, Lasaire, France

I have two observations to make: The first concerns the picture painted by Mimmo Carrieri on the connection between the rate of unionisation and the rate of coverage. He took a great deal of precaution on the subject himself, and I wanted to add that even when legal coverage is secured, it is not always sufficient. Employers do not necessarily comply with restrictions imposed on them, even when required to do so by law or regulations. In the case of France, a factor of public nature comes into play: when a collective bargaining agreement is negotiated under good conditions, the ministry of labour is authorised to extend it to other companies in the same sector. This explains why, even though we have a very low rate of unionisation, we have a very high rate of coverage, but it remains quite formal.

The second observation is of an entirely different scope: I obviously approve of everything that has been said about the harm caused by austerity, the need for completely different economic and social policies from what we have known up to now, but I think that the crisis, which is far older than its financial manifestations in 2007-2008, assumes different forms that we must not, of course, pit against each other. Ideological, cultural and political forms are at stake.

I am thinking of the increase in assertions of identity, linked to the rise of extreme right parties, but which could also find expression in the strife for independence by regions which are already vested with extensive powers – demands which we see in several countries, and which in France is manifested through xenophobia or even racism, whether admitted or not. All this is at stake. If we want the trade union movement to be able to make a serious contribution in overcoming the crisis, we have to take these issues duly into account.

❖ **Antonio Lettieri**, Publisher of Insight, Italy

All the speakers have spoken to us about the difficulties encountered by the trade unions, and no one can deny that unions are in a certain type of crisis. What policy can we pursue with regard to that crisis?

I would say that the European policy is on the wrong track. How can I illustrate it? Everybody knows that it originated in the United States – the investment bank Lehman Brothers is the symbol there – and when that bank went under, we thought that we would return to the great depression of 1929. It was a sort of warning, but we could hope to be able to cope because we knew the mistakes made then. And the United States tried not to make the same ones this time around.

For instance, when he came to power, President Obama was aware that he had to make investments to boost employment and the economy, and our friends here remember his programme well: an \$800 billion package to boost growth. It is no negligible figure, because it is at least half of the American revenues. Let us say that France, Italy or Spain had committed ca. 7% of the national GDP; in Italy, there was talk of €100 billion, nearly the same in France, and the situation would have been different. Mr Obama had also launched a programme of reforms which included

healthcare, later stymied when the Republicans won the mid-term elections. Are we going to compare that policy with that of austerity in Europe? It is irrational and goes against the grain.

During an interview, an Italian magazine used a very strong word, which I would not use myself, but which Joseph Stiglitz could take the liberty of using: he spoke of a “criminal economy.” I wanted to remind you that growth was nearly nil and unemployment has increased everywhere in the Euro zone. I could summarise the Italian situation with two words by saying that we lost between 9% and 10% of the national revenue after the crisis.

Thanks to the austerity process, the debt level, which amounted to 106 in 2008, rose to 135; unemployment was 6.3%. It is now 13%. And Spain, which is a model of its kind, has an unemployment rate of 25%. We are told that we should blame the rigid employment regulations, and I wonder whether it is that element that caused unemployment to double... I will not linger, because the answer is obvious.

I wanted to say that when I hear people speak about structural reform, I think of Brecht who said: “when a house painter speaks of peace, the children cry.” I am not going to cry, but what are we talking about? The endless deregulation of the employment market? Mimmo Carrieri dealt well with the question of company bargaining. Personally I am one of those who waged fierce battles to wrench company bargaining and I now say that unlike national bargaining, it risks becoming a danger for the fragmentation of the world of work and leading to a sort of Americanisation and destruction of the bargaining power of workers.

To conclude, a word concerning the Italian presidency. The President is a young and daring revolutionary who wants to change everything: we can change something, but you must realise that we would have to have a budget surplus of €90 billion in the coming years, according to the European Commission. That means that resources for investments and employment are going to disappear. Can we accept that? If the French, Italian, Spanish, and all other trade unions that wish to join us, including the European Trade Union Confederation, could send a joint request, and ask him: “Do you agree (because Mr Renzi does agree, as does Mr Hollande) to say that we must put an end to austerity, abandon the idea that we can balance the budget in a year or two to fulfil the budget pact, which will thus entail that there will be only €2 billion of surplus that will be withdrawn from investments and resources?”

The results of the European elections sounded an alarm that we could well proceed to destroy the European structure to which everyone has contributed.

We must not beat about the bush. The extremists deserve to be blamed, of course, but the greatest transgression is committed by the parties in government, who are the real architects of this policy: a false, wrong policy that risks being suicidal for the euro zone and the European Union.

❖ **André Gauron**, Economist at Lasaire, France

I would just like to come back to the European question. Everyone here agrees that we must fight and put an end to austerity. The question we should address is the following: how do we go about it?

A policy to relaunch investment would not suffice. We are faced with a European institutional question. Austerity is not only the choice of a certain number of governments that impose austerity regimes at European level to restore public finances; it is also the consequence of a certain construction of Europe.

In Europe, we do not have the same policy as in the United States. Here, there are as many policies as there are Member States. In a competitive system unified by the currency, competition is necessarily played out on wages and access to the financial markets. I was on the staff of Pierre Bérégovoy when the Maastricht Treaty was being negotiated, when the Germans raised the following question: “If you no longer devalue,” they said, “the adjustment will be made on the wage differentiation within Europe,” unless, of course, a federal leap was made in terms of economic policy which no government was ready to make at the time, or even now.

The question that arose with Greece, then Italy, Spain, Portugal and Ireland is a question that could have been answered if we had accepted to guarantee those countries access to the European financial market. In the case of Greece, this posed no difficulty for Europe to do so, and yet the Germans refused. That would have meant mutualising access to the financial market and having in fact a European debt issuing policy to enable all countries to access the financial market under the same conditions. If we refuse that, we will necessarily have to make adjustments, and those adjustments will be made by austerity.

We are faced with a real institutional problem. I saw that the DGB⁶ wanted to relaunch an agreement in a text that appeared recently. I think trade unions must broach this institutional question as a matter of urgency, if we want to get out of the current policies.

❖ **Pierre Héritier**, Founding member of Lasaire, France

I have noted that there is no major contradiction in this discussion. I think that a distinction should be drawn and that the role of each type of bargaining should be defined. It is clear, for instance, that company bargaining is necessary for the organisation of work and training. That is the case also in Germany, because not everything is negotiated in the “Länder” [states]. Furthermore, when an agreement is negotiated in a “Land” [state], it is applicable in the entire sector. Company agreements are essential, particularly in countries that are suffering, in order to improve the quality of the offer. At issue is to improve competitiveness whilst extending such improvement to cover quality.

Nevertheless, there is a need for adjustment at a more central level to coordinate wage policies. Let us imagine that the countries that focus on “quality” also reduce wage costs. Imagine what would happen if every country decided to act in such a way so as to gain a competitive advantage. We are already in a Europe of competition. We are faced with globalisation, of course, but we should be able to avoid proceeding in a dispersed order. The question of cooperation is crucial in this respect.

We need national bargaining and we also need to open a European area. I know, like all of us here, how the issue is dealt with in each country, but nonetheless, even for information only, we could follow what our Belgian colleague was saying just now: consider the organisation of a trading system that would make it possible to fix a development framework, not prescriptive – let us not say at a purely institutional level – but which would say precisely what has to be done to get the machine rolling again, whilst taking due account of the difficulties and realities of each country. We cannot rely purely on investment policies at a time when all the budgets, except that of Europe, show a deficit.

I agree with André Gauron, who cited the need for change not only at the end of the crisis but also in the midst of it. Jean Monnet used to say, that “Europe made progress through crises.” We must change the course of European integration. We cannot always function on the basis of a national policy, because we know that one day or another, conflicts of interest will gain the upper hand; and there will no longer be a European Union, or it will be purely institutional, and we would no longer want it. We are already seeing signs of rejection.

The stakeholders, particularly trade unionists, have a very important role to play in guiding the negotiation in accordance with the economic role of each. The company is a pertinent venue for bargaining in a given framework, but all-out decentralisation is dangerous, and a European area should be opened instead.

❖ **Emmanuel Jahan**, European Centre of Employers and Enterprises (CEEP), Belgium

I would like to draw attention on bargaining and unionisation rates, and in particular on the use of the latter. I am not sure that we can compare these rates between the Member States, because the rules of representation differ considerably, depending on the State: whether as in Germany, on a legal basis, or on the basis of the capacity to strike, or even on a legislative basis, a hearing or even mutual recognition, as in the Nordic countries. Furthermore, the links between the State and the social partners are very different: by way of reminder, in Belgium, companies contribute to the payment of trade union dues. If we had that in all the Member States, the unionisation rate would undoubtedly be higher in certain countries.

We can thus underscore a very strong link between the social partners, in the Nordic countries, for instance. When the Green Paper on Modernising Labour Law was proposed in 2007, three Member States, including Sweden and Denmark, refused to amend the Labour Law – as did the United Kingdom, albeit for other reasons. They thought that the social partners would settle the matter among them. This project was therefore left on the backburner. The most virulent Member States were ultimately the ones that had the best relations with their social partners. We noted that also in the case of the Netherlands.

Although I am not constantly active at Lasaire, permit me to say that I think we are forgetting the countries of Eastern Europe somewhat, which do not have the same rates of coverage by collective bargaining agreements, as they stand between 15% and 40%. We should also underscore the scope of undeclared work in those countries, and even in Italy, for that matter.

⁶ German Trade Union Confederation.

We can compare rates, of course, but let look at other parameters, in particular the causes. It is important to prepare and enter good negotiations. If we were saying that same thing then that we are now saying in Bulgaria, for instance, I am not sure we would be making any sense. Figures, like words, must be used with care. We know, for instance, that the term “decree to extend sector agreements” does not exist in the United Kingdom, because sector bargaining does not exist. So we are in extremely different conditions.

There is no ready-made solution, really. That does not mean that there is no solution at all, but these differences must be taken into account, provided, of course, that we still want to talk about Europe.

❖ **Udo Rehfeldt**

I realise that we cannot compare the rates of coverage in one country with those of another indiscriminately. But we can compare the trend: In Germany, for example, the catastrophic drop of these rates is remarkable. It occurred because, unlike what is done in France, the extension of collective bargaining agreements is not applied. We understand the trade union reversal by the same token. It is reminiscent of the dogged refusal the Italians once showed against the idea of a minimum wage, while they demand it now, because the trade unions are faced with the fact that companies are leaving the confederal organisations.

I would like to get back to what Luigi Sbarra was saying in order to underline the paradox of the Italian situation and to point out that, thanks to inter-confederal agreement, even though we measure trade union representation with precision, we still do not know the employer representation in Italy.

❖ **Emilio Gabaglio, Partito Democratico, Italy**

As Mimmo Carrieri said, we can call on the European contractual area, as a possible resource, when faced with difficulties in collective bargaining; and Luc Voets spoke about the Doorn experience for the coordination of wage policies between trade unions in Belgium and those in neighbouring countries. We are not starting from scratch, as coordination was decided by the ETUC congress in Helsinki in 1989: a committee composed of all the European federations and confederations was set up. Since then, I have lost track of what has happened, but I wonder whether the States actually do not want to use these structures.

In the same vein, the problem was raised of the “relative” crisis (by which I understand that it varies from country to country) of social consultation systems, i.e. relations between the trade unions, social partners, and the government, the creation of consensus, etc. Doesn't the European Union, which is rightly seen as a *false mother*, represent an institutional environment that is pushing precisely in the other direction?

Shouldn't the government focus on putting the social dialogue into practice during the next six months of the Italian presidency? The social summit comprises three compulsory parties, namely the Council of Ministers, the Council of State and the Council of heads of government with regard to the social partners. Against this background, can't Europe be useful to the Italian trade unions to highlight the serious contradictions among those who want another Europe? The guidelines have changed, but they still have to be applied.

I would like to listen to the comments of French colleagues. I remember well that a law enacted in France under the Sarkozy government required governments to consult the social partners when they proposed guidelines on work. If they were to seize the subject and made it an object of bargaining, it would open up the possibility of intervening in the heart of the legislative process. I would like some clarification on that law, which would prove useful for the Italian policy.

It is the European model transposed in France. Before each legislative action on labour law, the government draws up a list of issues on which it wants legislative action. It then leaves the choice of negotiating to the social partners, with the promise that if an agreement is reached, it will be taken into account by the government.

That said, there is a legal uncertainty (as at the European level): should such an agreement be taken into account as such, or is a margin of adaptation possible? This law engages only the government. In the past, the government found a way to bypass this legal obligation by encouraging the members of parliament of its majority to introduce a bill, and Parliament is then not bound by that obligation. It could disregard the obligation without allowing the social partners to negotiate. This happened in particular when action had to be taken to change the opening times of shops on Sundays.

❖ **Stefano Maruca, FIOM-CGIL**

European regulations have been completely overhauled in recent years, and I find the social dialogue is easier to describe.

The European rule is a sort of social dumping rule, and the generation of laws in committees and Parliaments, and the decisions of the Court of Justice, have followed the course of the weakening of collective bargaining. We could dwell on differences between countries, but the important thing is to know whether the process took place everywhere.

As a matter of fact, if collective bargaining has been weakened, it is necessary to endeavour to strengthen it. As in the case of decentralisation, we can try to see some positive aspects, but we have to know how these trends figure in the overall strategy. Similarly, as regards trade union coordination, the trade unions, especially those in the North, had long thought that a regulation of social models and trade union rules on a European scale was harmful, because they believed that national regulation was more favourable. But today, when the mechanisms are those of globalisation, the process generalises the weakening of collective bargaining, and that calls for the creation of tools that could change this situation. Without it, we will continue to hold abstract discussions on minimum wages, bargaining, etc. We will content ourselves to measure them without being able to intervene appropriately.

In the discussions of the federation of the mechanical, chemical and textile industry in which I take part, an intense struggle is being waged against precarious work. It is necessary to strengthen collective bargaining, as well as a minimum wage so as to ensure a decent standard of living for all; and that requires a strong trade union presence.

We have noted an assault on collective bargaining and a weakening of trade union rights. This trend has to be reversed. We must strengthen the whole, then gauge the solutions on the basis of the different objectives. If we reduce the part of wages, collective bargaining, and the power of trade unions, then the consequences are clearly going to be harmful.

❖ **Nadia Salhi**, Member of the confederal executive committee of the CGT, France

In thirty years, the share of industry in France has dropped from 20% to 10%, as have industrial jobs. Since the crisis erupted in 2008, we have witnessed an accelerated rate of factory closures in France. Why is industry faring poorly? Several reasons are put forward, in fact.

First of all, we probably made poor policy choices several years ago: Industry was gradually abandoned to the benefit of the services sector. In the European context, the lack of political determination comes into play as well, whereas in Asia and the United States, the State finances amply large companies that require a lot of investments; these include companies which, left to their own devices, would not be able to secure their financing.

Then, as the basis in Europe is free and undistorted competition, it may at times take several months to obtain the Commission's consent (as in the case of an application for assistance to companies⁰, even though the competition is not in but outside Europe. Improvements on that front would be welcome.

One last point that tallies with what has been said: for the CGT, the question of the financialisation of the economy is another aspect that falls under the purview of States as well as that of companies.

The CGT has for several months tried to wage a campaign against the cost of capital in the face of labour costs. The figures show it clearly: little by little, for several years, a large part of the added value has gone to dividends to the detriment of wages. We find here the problem of demand. We want to put forward another rationale for the development of industry: why do we have 3% deficit for the States, when we have 10% to 15% more profitability for companies? What is the purpose of all that?

We want to be the voice of a real political ambition based on cooperation between countries and not on competitiveness, and also on the energy transition line about which very little is said, although it constitutes a major challenge for society and for the entire planet. The big questions are: what do we want to produce and how. This comes back to the question of social democracy or of democracy itself, whence our impression that this democracy of choice is being taken away from us – whence the feeling that has had the repercussions we know for the European and even municipal elections, as we witnessed the punishment inflicted on the party in power which drained a lot of hope in France and in Europe, and which ultimately leads to an austerity policy that everyone rejects.

Something is not working in collective bargaining: Today, laws that include agreements between the social partners are made, but they accompany the social decline, the drop in wages, change in the organisation of working time, while we want to fight for social progress, and they are precisely the most dangerous issues. A law enacted under

the Sarkozy government even allows that a company agreement can be more unfavourable than a national agreement or a collective bargaining agreement. There's the rub. At a time when there are all those austerity laws in Europe, and all the workers are on the receiving end of the same blows, there is – at least for the CGT in any event – a rise in the criminalisation of trade union action that impedes workers from getting organised, or in the very least, frightens them inside their own company.

How can fair collective bargaining be conducted between the social partners in such a context?

❖ **Klaus Mehrens, IG Metall, Germany**

We have heard a great deal of information about Germany. At the end of this afternoon, I would like to provide some details which might not be appreciated by some.

The first point is the rise in precarious employment in Germany. The official number of registered unemployed workers is high, and at the same time, there is a sizeable drop in contractual employment: 25% of workers are nonetheless in precarious jobs and are not unionised.

After a drop in the number of members in IG Metall in the past, we have observed a certain stabilisation and even an increase in the last three years. There is undeniably a trend towards decentralisation in sectors where there are few union members, but it remains limited. We do not have the impression that our collective bargaining system has too many problems; we are still convinced that it is efficient.

In parallel with the social partners, we see developing sectors in which the trade unions are not established.

Second point: the minimum wage. We heard the point of view of an Italian trade unionist who was against this minimum wage for all, because it weakened the collective bargaining system. My trade union finally changed position six years ago. We had to acknowledge that other systems were developing beyond our control alongside the collective bargaining system.

I have taken part in many conferences on precarious employment with the Italians. They are waging a considerable struggle against this phenomenon. We must be aware of the increase of precarious employment and everything that is taking place out of our sphere of action.

Third point: the coverage of collective bargaining. It is true that the level of coverage has dropped since the reunification of Germany in 1989, even more so in the former East Germany, but I believe that it is not due to the weakness of the trade unions but to that of the employers, who are losing a lot of members and therefore of power during collective bargaining. That said, coverage has weakened in general on both sides.

I believe that we have a good opportunity at this time to discuss these common problems in this context.

❖ **Eric Peres, General Secretary, FO-Cadres**

I fully agree with what has just been said, except on one point (which I undoubtedly misunderstood) to the effect that the decentralisation of bargaining was a factor for re-launching the social dialogue, which I do not believe to be the case.

In France, every effort is being made to reverse the hierarchy of norms, from inter-branch agreements, to company agreements via sector agreements. To challenge this principle is to go back on one of the major points of collective bargaining – a principle that has made it possible to consolidate the rights of workers and to protect companies from social dumping. To refer the negotiation of agreements systematically to company level is to take the risk of increasing in particular wage disparities within the same sector and to weaken collective bargaining at sector level, not to mention that some companies, like the smallest among them, do not have trade union representation.

The second point I would like to broach is the question of relations of force, raised by André Gauron. We are all against precarious employment, and all for growth and against poverty... but then what? How are we to act? What is to be done to find the virtuous path to economic growth and job creation?

We will be able to change things only if we change the guidelines of European integration – first and foremost,

the action of the European Central Bank. Limiting the role of the ECB to strict inflation control while continuing to deprive it of an active role of support for growth through investment is suicidal. We seriously risk crippling our chances to get out of the crisis, with deflation and unemployment as the only possible outlook.

For FO, the situation calls for a rapid reconsideration of the European stability pact and a discontinuation of austerity policies which are socially, economically and democratically suicidal.

As to the trade union movement, its divisions are often cited, as if it were inherently unitary, which is far from being the case, as we all know, for historical reasons. Similarly, on the employers' side, the MEDEF is far from representing a homogeneous vision of business interests.

The fault lines between a vision put forward by the sole interests and targets of the world of finance, banks and insurance on top, and a vision more closely related to the reality of companies and industrial projects, are clearly visible. Unfortunately, it is obvious that the times favour the short term, distribution of dividends and the search for fiscal optimisation rather than the defence of an industrial plan for the long term.

This detail is far from being anecdotal. Because placed exclusively on the slippery slope of economic rationalisation and short-term fundamentals, the discussions on bargaining and the social dialogue rapidly slipped on the rigid slope of demands for flexibility and intensification of work.

From this point of view, a struggle against the aberrations of the ideology of the short-term timeframe and the maximisation of profit as the only dimensions of economic value is an act of healthy resistance for the world of work in general and for society in particular. It is not a matter of defending a society plan, here – we do not defend the concept of trade unionism at FO, for that matter – but of affirming a vision of society where economic growth is intended to serve social progress and emancipation.

Finally, and this is the last point at this stage of my comments, we must, as trade unionists, be capable of preserving the essential and of keeping watch on the future. We must preserve the essential of social protection as an indispensable element for consolidating the contribution/retribution tandem, which has been sorely tried recently. We must keep watch on the future to anticipate changes in the world of work and to support our discussion on our capacity to include in our demands elements that we had ignored hitherto, like the integration of new technologies in the world of work and the disruptive effects of digital technology in all the economic sectors, the question of striking a balance between private and working life, and living better at work. Such discussions will undoubtedly enable young workers to join the ranks of the trade union again, as a source of proposals and action.

❖ **Nicholaos Skorinis**, Vice President of the Greek Trade Union Confederation

The current European policy is totally wrong. In Greece we have at this time 1.5 million persons employed and 1.4 unemployed in the private sector; a GDP that has dropped by 25%; a paltry minimum wage of €500; industrial productivity down by 32%; we have had 5000 suicides and a 300% increase in cases of depression; there is no social dialogue. Conversely, there is full liberalisation of redundancies and, in spite of all that, competitiveness has declined even further in the industrial sector.

Greece is in a situation scarcely better than that of Venezuela or Argentina. This Europe has no future; it will die out.

❖ **Udo Rehfeldt**, Researcher at the IRES, France

I would like to say to Klaus Mehrens that I agree completely with what he said, except that I simply spoke only about Italy, as I had been asked, and not about Germany. As to the penultimate comments by Force Ouvrière, I am of course against the decentralisation of wage bargaining – a principle at the very origin of trade unionism, created in Anglo-Saxon countries: “Take wages out of competition.”

I would agree with Mimmo Carrieri and Pierre Héritier in saying that we can negotiate more qualitative matters at company level, and link them to wage bonuses, which has been authorised since the tripartite agreement of 1993 in Italy. But I note that bargaining is not developed in that direction in Italy.

CONCLUSIONS OF SESSION N° 1

❖ **Susanna Camusso**, General Secretary of the CGIL, Italy

The turnout in the European elections in Italy was low (40% abstention), but as a trade unionist, I can say that a large part of workers voted for Mr Renzi. As I see it, after six years of crisis, many voted for a European project that represents an initial response for the benefit of workers, who depend on government policies and had received no response to their demands. In general, people voted for change.

I agree with those who said that, if we are concerned about xenophobic parties and Euroscepticism, the only response that we can give concerns European policy. Euroscepticism is on the rise and draws its strength from the failure of Europe, because a lot of citizens think that it is a disadvantage and may even be a problem. This is more or less true, depending on the government. Our government is preparing to assume the European presidency for six months, and in spite of the demands of the European Trade Union Confederation (ETUC), it thinks that there is no need to meet the trade unions to draw up the agenda for that period. I do not know whether European rules are going to require such consultation. The government does not think that Europe is based on the respect of a social dialogue.

The crisis, Europe and the weakening of industrial relations are at the heart of our subject. On the one hand, many have already observed that there is a crisis, that unemployment is growing, and that the trade unions have acted in a defensive manner. It is altogether clear, in fact, but I do not know what crises await up ahead. I believe that everybody has fought well, but we have lost ground. In Italy, the efforts of the trade unions did not lead to a loss of members. On the other hand, we have lost a good part of the Italian production system.

In spite of the same number of members, the production system has lost ground. There are workers who have lost their job, and unemployment is wreaking havoc. This situation is explained by the management of the employment situation, which was based on relations between the trade unions and local companies. We signed many defensive agreements on reorganisation plans and social buffers in recent years, but many of them were signed on the spot, in the field.

During these six years of crisis, which started under the Berlusconi government, we have witnessed a contradiction: the way that industry tried to deal with the problems, and attempts by the government to put an end to the dialogue with the trade unions. Whereas the CISL and UIL concluded agreements, Fiat withdrew from Confindustria, thereby marking the start of a trade union divide.

We do not have a real dialogue with our talking partners. Confindustria resumed the talks (which is it holds every four years) on the company agreement or the national agreement, but is not getting satisfactory answers, because it is up against procrastination or even diversionary tactics.

The national agreement is holding in Italy, but we are encountering difficulties in the management of the crisis. It is false to say that 80% of the workers are covered; this rate concerns only workers in stable employment. If we include the national agreements and precarious employment contracts, then less than half of the workers are covered.

We are convinced that the Italian production system must consent to a national agreement so as not to see a drop in the rate of coverage of a good part of workers and a change in their working conditions, but if the contract does not include atypical, self-employed and precarious workers, its impact will remain limited. This, in a nutshell, is the dilemma of Italian trade unionism.

The government and the European Commission have been tempted to eliminate these national agreements and replace them by company agreements. If that were the case, 2000 to 3000 companies would be concerned.

That is why participation is an issue rarely brought up in our country, because if we were to discuss shareholding or profit-sharing schemes, we would be dealing with only 1200 companies. As a matter of fact, companies in Italy are small, not quoted on the stock exchange, and created on a model based on participation, and thus outside the framework of labour representation. We do not want to change the collective representation model. Our major concern is: can the national agreement be a tool that will help integrate atypical and precarious workers?

This begs the question as to why precarious employment is so widespread in our country. The European Commission is asking us to emphasise flexibility. We cannot go any further in this direction, and the problem is not there, but rather in the proliferation of precarious employment jobs and a drop in wages; and that is going to change industrial relations.

We have spoken about wage moderation which reduces the competitiveness of companies, but the Italian development model was based on competitiveness and the drop of wage costs, and not on innovation. We can however

link our entry into the euro closely with the start of the reduction of wages. As it was no longer possible to devalue the currency, companies started to reduce the financial impact of wages. This is how precariousness has increased.

This explains why we are taking such great precautions when we broach the issue of minimum wage. For the government, it is not an hourly rate of €8, as it is in Germany, but of €4. This eventuality, to which is added a drop in competitiveness, low pay for precarious workers and the general weakening of the wage bill, will reduce the average wage of Italian workers.

This does not mean that we reject the idea of a minimum wage, but either we will find common ground in bargaining in which all stakeholders participate again, or we will consider that the minimum wage cannot be a defence mechanism, dealing in particular with the remuneration of precarious workers.

The last theme that has to be broached: the role of ETUC in Europe. If we cannot go further in the decentralisation of bargaining – the risk of fragmentation and impoverishment being too great – what can we do at European level? Emilio Gabaglio duly reminded us of the Helsinki congress, but what can ETUC do?

The latter has been a victim of a return to nationalistic rationales due to the unfavourable current context. We obtained the application of a Marshall plan, with a lot of delay due to a lack of trust in the capacity of the European trade union action to create a framework. This investment plan is very important. Alas, it is not enough to put the trade unions on the track charted by the European Treaties and does not give them any indication as to how to act with regard to their government.

Furthermore, we are witnessing a decline in the discussions on the agreements. At the ETUC congress in Athens, we did not manage to agree on the minimum wage, so every country can agree differently. On the verge of a change from the austerity policy, we need to consider a new form of European minimum wage. This form could vary depending on the scope of the crisis -- less in countries that are better placed, more where the crisis is felt more sorely. This will create a rationale to move to countries where wages are the lowest. We must take into account European mobility linked to employment and differences in development; and at issue is not to fix an amount for a country, but to consider the impact of European regulations.

Without reference to the national agreement, we are taking the risk of labour dumping, illustrated by a conflict in terms of workforce between weaker and stronger countries. Countries in Eastern Europe are not in favour of this minimum wage, because they think they will bear the brunt of its disadvantages. The policy of recent years has not been to tell economically weak countries how to grow, but to tell countries that are doing better how they have to adapt.

For their part, European works councils are on the verge of decentralising bargaining. The only place in Europe for trade union policy is the company, so we have to try to chart a European policy that represents all the workers.

❖ Joël Decaillon, Executive Vice-President of Lasaire, France

I would like to thank everyone, and to thank the interpreters also, of course, and then to raise some points. I agree pretty much with Mimmo Carrieri on the problem of regulatory capacity in Europe, which is posed at all levels and is complex. The response, for instance on the “SMIC” [guaranteed minimum wage], may appear satisfactory: we respond with a minimum wage in Europe, and that response must be a way of dealing with precarity.

I was struck by Obama’s statements to the effect that a minimum wage should be introduced in the United States. However, as Rodolfo Benito Valenciano underscored, a minimum wage raises questions for the trade unions in that it implicitly accepts a dichotomy between two types of workers: poor workers, and the others, who would be properly protected. We would thus accept that this social organisation model is put in place in industrial societies like ours.

This poses a terrible problem for the trade unions, because trade unionism was not developed on such bases, but at the instigation of the more advanced workers in the more skilled industrial occupations throughout the entire period in history as of the end of the 19th and the beginning of the 20th century. Regulation is necessary, whether we want it or not. How? Even if the solution chosen is not satisfactory, there may be a political and governmental temptation to intervene in that regulation, because a system has to be put in place to deal with the problems of these poor workers.

Could the trade unions manage to coordinate these two dimensions? Will they be able to avoid a certain impermeability from emerging between a relatively closed system of social relations where they will be able to continue to defend part of the workers, and an alternative system where other workers, protected through legislation, will be

able to escape this principle?

The European Trade Union Confederation must pay particularly attention on how it formulates its requests. It has had a highly mobilising call for the reduction of working time for years. Today, we no longer have a general demand, and that is an element of weakness for European trade unionism. We must find the means to revive this issue whilst taking due care about the dichotomy between workers that we are witnessing.

My second remark has to do with the European elections. The turnout was very low, and workers, particularly in France, cast their vote for the extreme right, a sign of a regressive “nationalistic” withdrawal. This crisis runs very deep. The proof is provided by the example of Denmark or Austria, which are nonetheless in more enviable economic situations, where it is not the loss of employment but that of a certain identity that is put forward. There is a relation to work, to trade unions and the system of social relations in which they operate in these countries which is the principle of their culture.

I think that trade unionism can promote a cultural vision of the European project which is based on it. Otherwise, we will find ourselves in a major difficulty, in that the outlook of the cultural project for social protection will remain national, because it will be deemed or felt to provide more protection.

The Danish worker, for instance, may think that his country’s system can protect him from globalisation, and thus he does not need to rely on Europe. An effort has to be made to chart a European trade union policy based on social relations. Otherwise, there is a great risk to see countries seek protection against globalisation on their own. We see it through the Flemish separatist parties in Belgium, and also through what might happen in Catalonia. Tomorrow, given the technological transformations, we could find ourselves in a globalised context, while having a highly localised territorial development, particularly when it comes to the management of raw materials, energy resources and another development system.

The European elections showed the complexity of the political – but also economic and social – world of tomorrow, with relations that can be contradictory, without necessarily folding back to closed societies. To put it simply, we could become internationally competitive through a small dynamic entity managed differently on the technological front or through energy resources. That would be dreadful for Europe, especially if it does not have a new and solid development plan.

The political crisis is extremely deep, even deeper than that of 1929, and the configurations of globalisation are far removed from those at the time. The responses cannot be the same. The European social partners must make major efforts on this front.

The company is also confronted with a contradiction. Claude-Emmanuel Triomphe, a French researcher, had said that the company is homeless today. But what is a company? Decentralised management is complex. Who takes action in the field of a company? For my part, I strongly believe in a return to territoriality in bargaining systems. I think that at a time such as the one we live in now, it is all the more important for the sake of democracy, provided it is open, of course. We must accept an open system and thus accept that democracy is renewed therein. If the notion of company limits unduly the systems of cohesion and solidarity, and if bargaining does not take a different form in territorial spaces, it will be very difficult to get developments accepted.

How will employers conduct themselves in social relations in future? They will have to change, because if we are left employers of large groups who do what they want on the one hand, and employers that are relatively flanked by their organisation of social relations on the other, we are bound to encounter major difficulties in managing these relations. So we still have a lot of work to do.

<p style="text-align: center;">WHAT NEW METHODS FOR ORGANISING WORK ARE NEEDED IN COMPANIES? SHOULD EMPLOYEE REPRESENTATIVE PARTICIPATION IN BUSINESS MANAGEMENT BODIES BE GENERALISED?</p> <p>– WHAT NEW LINKS ARE NEEDED BETWEEN COMPANIES AND REGIONS TO FACILITATE THE SOCIAL DIALOGUE?</p> <p style="padding-left: 40px;">– (WHAT TYPES OF TRAINING AND JOBS SHOULD WE INVEST IN?)</p>
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❖ **Anne-Marie Grozelier**, General Secretary of Lasaire, France

I am very moved to be here in the Bruno Trentin Institution for our 11th Biennial, and I would like to speak

briefly about him, who was a very attentive and creative colleague at Lasaire and our biennials. He participated actively in our steering committee during the 2nd biennial in 1992, as general secretary of the CGL, and then as MEP.

I remember having worked with him on the topic at issue today – on the change of work, qualification, and training of workers. We moderated jointly a workshop on this topic during that biennial. I remember that, in spite of his parliamentary obligations, he was very much involved in the subject which was particularly important to him.

We are now going to examine the topics of our biennial, the question of work organisation methods that are emerging, the transformations brought about in the socio-reproduction systems by management today dominated by finance, which is shaking up the organisation of work and forcing workers to adapt in order to deal with these very important changes.

These fundamental issues were already at the heart of Bruno Trentin's concerns, i.e. the attainment of independence by workers and their power over work and how it is organised, or more broadly the economic and strategic stakes of the company.

Aline Conchon, a researcher at the European Trade Union Institute, will apprise us of how workers in different countries manage to bring their weight to bear on decisions that concern them. We will then hear Hugues Bertrand, who was, among other things, director of the CEREQ, an organisation that monitors developments in training and qualifications. We will then listen to the reactions of trade unions: IG Metall (Germany), Force Ouvrière-Cadres (France) and UIL (Italy).

❖ **Aline Conchon**, Researcher at ETUI, France

Thank you for inviting me to come and talk to you about a subject that I have broached more generally by calling it "worker participation in the company's strategic decisions."

This presentation is always delicate, because the issue remains thorny for at least two reasons. The first has to do with the persisting confusion between the notions of participation in management, on the one hand, and in strategic decisions on the other. It is important to differentiate the two.

Strategic decisions are taken at the highest level of the company. They pertain to the purpose and objectives of the company, and define the broad guidelines thereof. They have been traditionally decisions concerning finances, such as the allocation of profits, industrial or business strategy, such as the launch of a new or discontinuance of an existing product, or decisions to do with the overall structure and organisation such as mergers and acquisitions.

Management decisions ensue, because they pertain to the implementation of strategic choices. If we take the example of a merger-acquisition, the management decision will be that pertaining to its implementation, for instance the follow-up of a restructuring plan, if there is one.

The second difficulty stems from the fact that this aspect of labour relations is not very well known and thus not broached must – with the exception of the German case. It is an observation that can be linked directly with the fact that there is still historical opposition in certain trade unions in Europe about taking part in the company's strategic decisions.

In what institutions can participation in decisions be played out? In conventional institutions of labour relations, of course, and here we can refer to the right of consultation of works councils or workers' representatives by virtue of EU law, where the situation observed is not always very positive, however: rights are unequal from one country to another; the institutions are not always present and effective in all companies (particularly SMEs) and consultation has its limits, as the employer is not required to take the opinion of workers into account.

There are certainly exceptions, and I am thinking in particular of Austria and the Netherlands, where the rights of consultation of works councils are more advanced. If the works council issues a negative opinion about a strategic project (closing of a site, transfer of protection, etc.), the decision may be delayed by a month. During this period, the works council may refer the matter to the Enterprise Chamber of the Amsterdam Court of Appeal, which may rule in favour of the works council and order the management to review its decision. But those are real exceptions in the review of European rights.

I am also going to focus on other institutions in which such participation can take place, namely either in the management team, or in the executive committee or management board; or in the general meeting of shareholders,

where strategic decisions are discussed, approved, and adopted; or in the board of directors or supervisory board.

In Europe, workers have rights to participate in the management team or in the general meeting of shareholders, but those rights are limited. For its part, EU law is silent on these points.

Workers can participate in the management team through representatives or by appointing one of the members, a right found in three countries, including Germany, where the labour relations director (*Arbeitsdirektor*) cannot be appointed in companies in the coal and steel sector against the majority vote of employee directors. But we are talking here about three countries only.

In the same way, the right to participation in decisions of the general meeting of shareholders exists, but only in four countries in Europe, with the possibility, most of the time, to attend the meetings and give an opinion. In the Netherlands, the works council can give shareholders its opinion on resolutions that pertain in particular to important structural changes such as mergers, acquisitions or transfers, but here once again, it is a matter of limited rights, because there is no requirement for such opinions to be taken into account in the voting by the shareholders. These rights are a little more advanced in France in that the works council can submit resolutions to be voted on by the shareholders. None of such resolutions tabled, in the few companies where the right was asserted, were adopted; they were in general refused by 98% of votes cast at the meeting. Here once again, we are faced with a limit. Furthermore, this type of right is recent, and there is no way of knowing if it is going to develop.

For that reason, when we talk about participation in the company's strategic decisions, we are geared more directly to the subject of employee directors. This is a right particularly widespread in Europe.

Employee directors are employee representatives who sit on the board of directors and the supervisory board with the same rights and same obligations as any other director, including the right to vote. Such employee directors exist in 18 Member States, to which is added Norway, which is part of the European Economic Area. So we are not in the presence of an epiphenomenon.

This participation is characterised by a broad institutional diversity: we draw a distinction in particular between the fact that employee directors can sit on the boards of companies in both private and public sectors – this is the case in 13 countries – or can sit mainly on the board of public companies, as in Ireland, the Czech Republic, or Portugal, Spain, Greece and Poland, and the remaining countries where this right is rare or non-existent.

Another variation criterion between the different rights is important: the proportion of employee directors. This may range from a single employee (as in Spain or Greece) to up to half of the board being made up of employee representatives – the best known case being Germany. Even in this position, employee directors are in the minority, because the chairman of the board has a double vote in the event that the vote is tied.

As to the appointment procedure, most of the time employee directors are elected by the personnel; in some cases, they may be appointed directly either by the trade union or the works council; and in even more exceptional cases, candidates for the posts may be supported by the works council or the trade union, but the formal appointment will be decided by the general meeting of shareholders, as is the case notably in the Netherlands.

Another major difference concerning the profile of employee directors: in certain countries, such as Germany, some seats are reserved for sectoral union staff, i.e. outside the company's workforce. Most of the time, only company employees may hold those posts. One major exception nonetheless is the Netherlands, where "employee" directors may not be either employees of the company nor members of a trade union connected with the company by collective bargaining agreement, so that they tend to come from academic or political circles sympathetic to the trade union movement.

Finally, these rights are in generally implemented automatically if the company falls under the scope of the corresponding legislation. In Scandinavian countries, there is a right of initiative: workers can be represented on the board, but that can take place only at the request of the trade unions or workers.

This right is so widespread, that it is mentioned in EU law. We see it appear in directives on employee involvement concerning the status of European company on the one hand, and of European cooperative society on the other, as well as the directive on cross-border mergers.

The aim, each time it is mentioned in EU law, is not so much to export the practice and mechanism to other countries, but to try and protect pre-existing national rights. To what extent does it really provide protection, particularly in the case of Germany? The issue is open to discussion.

After this review of European rights, let us now turn to the question of their implementation, thanks to data from a survey conducted in cooperation with Jeremy Waddington, professor at the University of Manchester. This is a major survey by questionnaire among employee directors who sit on the board of European companies in 17 countries, conducted by the European Trade Union Institute and financed by the Hans-Böckler Foundation in Germany.

Before we sent out the questionnaire, we proceeded to identify the employee directors, which enabled us to produce this groundbreaking result: in 2011, there were at least 17,500 employee directors in Europe and 5,700 other companies which must also have them, in that they fall under the scope of application of the corresponding legislation.

The question that we have to ask is: We have a right and we know that it is implemented; but to what extent does the presence of employee representatives make a difference? Do they have any powers or influence on the strategic decisions of their company?

With the question of power and influence we reach one of the limits of social sciences, because it is always difficult to find methodology mechanisms that can gauge them. In the absence of appropriate tools, we opted to ask the employee directors about how they see themselves and to tell us whether they thought that they had power over the board's decisions, whether they had influence or could control such decisions.

It is important to draw a distinction between these three elements, namely, power, influence and control. To that end, we used a theoretical framework developed in political science and sociology:

- Having power over a decision means being able to ensure that your positions, opinions and preferences are included in the final decision;
- Being in a position of influence means being able to express your opinion and point of view, without it being necessarily taken into account in the final decision which may depend on another stakeholder.
- We included control, in particular in reference to the dual structures of corporate governance which, unlike a single board of directors, are structures where you have a supervisory board and a management board. Employee directors on the supervisory board are then in a position to control the management of the company.

To manage to draw a distinction between these three elements, our questionnaire includes the following proposed responses:

- Having a feeling of "co-managing the company" or of "discussing matters until a common position is found" corresponds to the field of power;
- Having a feeling of being "consulted" or only "informed" corresponds to the field of influence;
- Having a feeling of "controlling management through supervision" corresponds to a control situation.

We received more than 4,000 responses, which provided a contrasting picture on the matter:

- A third of the respondents thought they were capable of exercising power, i.e. to have their preferences included in the decision. This is particularly the case in the Netherlands and the group consisting of Ireland, Greece and Spain.
- One respondent out of 5 (22 %) thought that he exercised control over management, however. We were expecting this result in countries with the famous dual structure. This is the case of the group comprising Germany and Austria and that which comprises the different new Member States.
- The remaining 45%, i.e. nearly half, thought that they were only capable of exercising influence, since the respondents stated that they were at best informed or consulted about the decisions. This is particularly the case for the French-speaking group, in which France is particularly present, and in European companies.

In a great majority of the cases, therefore, the presence of employee directors has no bearing on strategic decisions, or so the directors feel, in any event. We can therefore conclude, given the great differences in the responses, that the presence of employee directors has no mechanical effect, in spite of a certain fantasy nurtured on both sides, to the effect that the presence of employee directors automatically changes the way that the company's strategy is decided.

When we look at the econometric studies conducted on the question – there are some thirty of them, mainly on the German case – we arrive at the same conclusion. These studies sought a link between the presence of directors and the economic and financial performance of the company; they show that there is at times a positive and at other times a negative effect, or that the results are not sufficiently telling to conclude that this contributes to the performance.

Why isn't the effect systematic and mechanical? Why aren't influence and power on decisions always present?

Several conditions must actually be met in order to make a difference. Thanks to our study, and other older ones, we can say that for that to happen, the employee directors on the board must first and foremost be able to make use of their rights, namely to take the floor in the board, and that is not self-evident. The employee director also falls under a more general system which entails elements over which he has no control; in the case at hand, the very important role of the chairman of the board: the capacity for action on strategic decisions differs, depending on whether the chairman allocates time for discussion, gives everyone an opportunity to express his point of view.

The second condition has to do with the fact that the board of directors and the supervisory board are really the place where strategic decisions are prepared and taken, not only the place where they are ratified. In France, we traditionally refer to the board as a chamber where decisions already taken are recorded. This is particularly the case when a stakeholder dominates the company's strategy: such a stakeholder may be a majority shareholder – typically the case of public companies – but also the management of the company, which may be the only one that decides, if the company's shareholders are particularly dispersed. The board of directors and the supervisory board may also be a recording chamber if decisions are in reality taken in the board's committees, in which employee directors sit rarely or in a partial capacity.

Another condition must be met for an actual effect: decisions taken in the board must not follow strictly the law that says that a decision is taken by majority vote, because employee directors are always in the minority, and could never carry the motion. In many German companies, for instance, the practice is to say: there is this right, yes, but there is a choice made to take decisions by compromise or consensus. We must first wait for a general agreement to be reached, and then we can adopt the decision formally by vote. We are not quite trying to apply the right first, but rather the rule of compromise; this depends on the quality of the social dialogue and more or less cooperative or confrontational relations between management and the workers. This point explains the results that we can see in France.

One last condition is required: an articulation of the different forums of labour relations, because most of the time employee directors are nominated or appointed by a trade union or a works council. If the employee director is alone on the board, without support from his trade union or works council, if he does not coordinate his action with the other stakeholders, if the other directors feel that he has no support, particularly from the trade union or the works council, his weight on the decision will be minimal. This reinforcement is necessary, particularly from the trade union and the works council, but must work in both ways, because that way we can have a mutually strengthening effect.

As a matter of fact, even when an employee director considers that he only brings little weight to bear on the decisions, the fact remains that he can ensure that the trade union, works council, and employee representatives benefit from all the cases, knowledge and information on strategic decisions in which he takes part, subject to compliance with the confidentiality rule, of course, and thus manage to contribute directly to the collective action of the company. This is precisely where the German model is interesting, because this link is strongly propounded and support for employee directors particularly developed.

Finally, I would answer the question as to whether participation in strategic decisions can make a difference in the affirmative, but under conditions that require an investment from trade unions that would want to take the plunge, who must realise that there is work to be done. Guidance and support in the company and training for directors are required on a daily basis to arrive at this interconnection between the different stakeholders of the social dialogue.

❖ **Teresa Bellanova**, Under-Secretary of State at the Ministry of Labour, Italy

I would like to thank you for this invitation, which I appreciate enormously, because it comes from two very important and strong associations committed to work aimed at improving employment and the exchange we so sorely need at all levels.

Since 2008, we have been living in a period in which there has been a great deal of movement in the rules of the employment market and relations with the social partners and the government. The crisis has forced us to face the urgency of change, but has also resulted in promoting the culture and inducing the need of improving the social dialogue. The latter appears in the legal basis of treaties, in several forms, regarding the employment market or concerning various aspects of the lives of citizens and workers.

In my view, the European Union has succeeded in creating a solid set of rules, rights and duties where bargaining is presented as an important tool for settling differences and safeguarding solidarity mechanisms which are

indispensable in a global economy, in financial markets that some would like to see without rules.

But the crisis has blocked the processes of dialogue. In light of actions taken on an emergency basis, which some states thought they had to take to stem the unfolding crisis, we believe that it is urgent to stem the recession and the fall of the markets. The social dialogue and relations with the social partners were considered by some as slowing down initiative and action.

Italy, which had signed major agreements, such as the 1993 protocol, which had enabled it to face a major crisis at the price of great sacrifices, was not receptive to this type of proposal. It was caught between certain inter-confederal agreements of June 2011 on company collective bargaining and a cultural trend aimed at enhancing decentralised bargaining, seen not only as a tool promoting proximity with the specific authorities of regions, but also as the only possible derogation from the national agreements.

The trade union fragmentation, which I hope is over, and the strict austerity rules imposed by Europe made it difficult to revive sensitivity and dialogue with the social partners. I think that we can and must open a new chapter. Austerity has not produced the benefits we had expected, but we have managed to pool our efforts and tried to move the country forward.

We have understood that rigour and austerity risk destroying Europe. The effects of the Troika's economic adjustment programmes in countries hardest hit by the crisis have shown that the social partners should have been consulted and involved from the outset of these programmes.

Time and again in the annual growth survey 2014, the European Parliament has asked for the role of the social partners to be strengthened in this new economic governance process. As a consequence, intermediary organisations, even if limited, and the representations and exchanges with these organisations must be taken into account in order to get out of the throes of the crisis.

We should start to reconsider the economic and political life and rehabilitate dialogue and shared choices as tools for dealing with tensions and conflicts.

What the European lesson teaches us is that only the Member States where the social partners are properly developed have managed to deal well with the crisis.

I would like to thank you once again for having organised this fruitful moment of meetings and exchanges which affords us an opportunity to work all together for social growth.

Thank you, Madam Minister. We are therefore going to continue with the participation of workers in strategic decision-making, particularly on issues concerning work, training and qualification.

❖ **Hugues Bertrand**, Economist at Lasaire, France

Aline Conchon presented the facts, particularly the diversity of situations in European countries. I would like to complete the presentation, because I am more on the side of the questions than the answers.

The topic is the generalisation of employee participation in management bodies, with two complementary points: one on the link with the organisation of work, the other on the link with the territory.

I will broach each element from a single, slightly caricatural angle, because I must be brief. By way of bottom line, I shall ask this general question on “the” question, namely: What is a company? Because nowadays, the reality of the situation of workers is presented in the form of questions: What is their company? Where do they stand? To whom do they belong? How is their future determined?

The company is first a legal form that enables an entrepreneur to gather resources so as to develop the business activity. It is a social invention that assumed its current form in the 19th century, with a remarkable innovation which was the joint-stock company, a stroke of genius that offers the possibility to pool unlimited resources. Its legal form has endured and is still relevant. What has changed is its content, its modus operandi and its relation to paid labour and capital.

At the time that the joint-stock company was invented, the entrepreneur mobilised and tied up capital to

acquire equipment, develop his business while, in parallel, he hired to that end the labour of individuals whom he took on by the hour, the day, week, month, at times even longer for some fortunate few. The capital was tied up, exposed to risks, while labour was mobile, very mobile – or, as we would say today, perfectly flexible.

As a place where power is exerted, the legal entity -- the “company” --naturally came under the jurisdiction of its most constant part, those who tied up extensive resources to undertake the venture. Very soon, these providers of capital tried to overcome this lengthy burden of tying up their resources, whence the invention of the joint-stock company and stock markets, which was an amazing step in that direction.

While capital was becoming more and more mobile, labour was heading in the opposite direction: the status of labour was being reinforced, the term of the contract growing longer, the link with the company was becoming lasting. The lot of workers was becoming far more linked to that of the company, in which they undertook a lasting commitment.

So we went through two parallel developments in opposite directions: capital being less and less tied up, more and more detached from the company, or more and more “liquid,” and labour more and more attached to the company and its fate, and more and more solid.

In spite of everything that has been presented, this complete reversal regarding the company and its lot, did not bring about any noteworthy change in the rights and capacities of either side of the equation. Shareholders, who have become mobile and inconstant, still hold all – or nearly all – the power; workers have become more and more linked to the company and represent the most constant part, and their say is absolutely limited and restricted.

Things have even developed almost in reverse order. With globalisation, the margins of manoeuvre of shareholders and finance have been widened considerably, and shareholders can say at any time: “Either you accept our conditions, or we are leaving, closing up shop, etc.” By a curious reversal of the argument, we are blaming the most stable part of the company for its constancy – which is paradoxical.

It is very important to understand the neoliberal ideological approach to enterprise. It is aimed at a sort of crazy dream: work must ultimately be made as mobile, as detached and as liquid as capital. That’s what outsourcing is all about.

At the outset, it is not simply a matter of blackmail, but an ideal project that would be an empty shell, a provisional, transitional support of agreements, in a completely outsourced structure. The ideal, in this scheme, is a company that does not exist. And yet, we all know that the company, which is not ideal, needs constancy, perseverance, direction, coherence, confidence, collective organisation, shared progress, and solidity, so there is a gap between the neoliberal project for the company, which aims to gut out its social substance completely, and the reality of what a company is today and where its strength lies.

This observation leads to the justification, the rationality of another distribution of powers in the company.

I am now going to broach the company in relation to the organisation of work, but I will not have the time to describe the forms that have succeeded each other. I am just going to share a simple, even perfectly trivial observation with you. The immediate and sustainable performance of a company is a collective phenomenon, first and foremost, today more than ever.

Which collective dimension? There are many: it can be a workshop, a department, a service, or broader collective elements. I think that the concept of “entrepreneurial trade” is the most interesting from this point of view. Finally, there is the collective of businesses on the whole, which coordinates the more restricted subassemblies. This collective dimension of the skills and performance of companies is often hidden. We know that human resources managers deal only with individual skills as they have a great deal of difficulty broaching the collective dimension, and it is a real problem, not only for the results but also for learning.

An engineer, technician or worker that joins Airbus has a contribution to make and economic performance levels that are inseparable from that of the collective labour vessel in which he takes his place. Whereas on his own he was just himself, upon joining Airbus he becomes part of the Airbus productivity, a high level of productivity, and his capacity to make progress is linked to that of Airbus.

Airbus is characterised as a complex assembly not only of wings, hulls, fuselages and jet engines, but also of multiple skills to be coordinated and made to move forward together. The contract of employment is personal and the success is collective; it is the result of expert work. That is what enterprise is all about.

But beware: This collective dimension is more than the mere social dimension, the mere trade union representation, for instance. What I call the productive corps of works is not limited to the social corps which it comprises and on which it can rely.

The social representation of workers cannot account on its own for the entirety of this complex productive body. It would be dangerous to shift from a view according which all power goes legitimately to shareholders to a view that all power should go to the legitimate representatives of the workers, their trade union representatives or elected officials. To avoid the risk of a new confinement, companies need to restore balance. This balance concerns three protagonists: the presumed owners of the company, the shareholders or holders of securities in all their forms; the workers, as the permanent social body; and finally, management, the people in charge of production, as the business managers, because they are supposed to be equipped to develop a strategic vision for the company and to make choices for it.

I think it would be rational and prudent to promote the representation of the various stakeholders of companies, including the representation of workers, which is substantial.

I would like to make the link with the territory. Companies have complicated, often ambiguous relations with the territories in which they operate. The territory is defined as the political sphere which companies are very wary of because they always fear ill-timed interference with the way they run their business; that said, irrespective of their size, they need territories and their resources.

Conversely, for territories, the company is a place which is largely beyond their reach; their power of intervention is limited and relations of power are unique. Furthermore, the company is a source of noise, odour, road and environmental nuisances, although it provides an irreplaceable advantage to exist and provide employment and income to inhabitants of the territory.

Relations between these two models of human organisation, the company and the territory – and the territorial authority – are complex and are in no way bound to become simple, since they are founded on reciprocal expectations, and permeated by very great distrust; built on a principle of separation but linked by an inevitable complementarity; on a deep-rooted opposition but also on an imperative need for mutual acceptance.

The territories are highly heterogeneous by nature. They have differences which are sources of advantages to be seized by companies and capitalised on. A big company has an opportunistic vision of the territory and the distribution of its sites. In this global dance, the relationship of the workers with their company, or with what they believed to be their company, is neither very clear nor very certain, since they can be sold from one day to the next to any financial or industrial group that is interested.

They do not belong to the company to which they are legally bound, but to the entrepreneurial trade that they collectively carry out: they work together and are bound to be sold together as such. In other words, the most constant (or least inconstant) aspect for workers, is the collective dimension in which their work makes sense, gains its value, and is sustainable, far more than the legal company with which they have concluded a contract.

The worker's lot is linked with the entrepreneurial trade, and the concrete instrument of this jurisdiction, of this attachment, is most often the site in which and through which the worker acts, enhances the value of his work, and makes it useful and productive. The contract is signed with the company, but the marriage is consummated with the site, with and in the productive body of the site.

The site thus has a destiny, which should have its place in the strategies for the site. They are the manifestation of this collective productive value, of this shared destiny of men and women of the same site. For the representation of workers in the company – participation in the management bodies that we are discussing – it's a real problem: How can such intermediate solidarities, which are often the strongest and most vital, be taken duly into account?

My final statement will be as radical as it will be measured. On the one hand, we must move toward recasting the company: I think that restoring the balance in the relations between capital and labour is fair, useful, necessary and, above all, rational. It is not healthy that the least constant part is in control, most often alone. On the other hand, this restored balance is certainly not the key to all nor the solution to all the problems that we want to solve. It is not a matter of good workers on the one side, and nasty capitalists on the other. There are workers who do not have the place they should have in the life and choices of the company, and shareholders who weigh excessively in on the choices and on the criteria on which they are based.

The restored balance, which I think is closely linked to the national political solutions, is not a miracle solution, but a part of the solution.

Finally, the company is not an innocuous social place. It is, in all its forms, at the heart of our societies, a central institution in fact. We cannot think of our societies without thinking of the company, and we cannot reform and transform our societies without reforming and transforming the company.

❖ **Klaus Mehrens**

Thank you very much. It is difficult to get back to principles, after all this information. Yet that is what I am going try to do. I have long taken part in the work of the supervisory board and can appreciate how there can be different examples, but that is natural, and I must say that I found it encouraging that there are many attempts to apply the democratic principles in the economy.

When we talk of basic ideas, I am convinced that the main problem in the European Union comes from a lack of democracy in the political and economic areas. That is the reason why I entitled my contribution: "The democratic deficit."

The opening address of the new president of the German trade union went on the offensive on this issue of democracy, and I would define it as a declaration of war in favour of democracy. I have confidence in him to do what he has promised. Let us come back to the fundamental principles of democracy.

What are they? First, as regards majority decisions, in all the models presented by Aline Conchon, we see that they do not have a minor role, but that we are in the minority, and that makes it difficult to participate at times.

Another fundamental principle is the capacity to solve political problems by an action that would result from public debate and discourse. In the European context, we have gaps in the economic sector on the one hand, and in the public debate on the other, also because decisions are essentially taken by the leaders.

We find in Europe all the cited models and we have good reasons to endeavour to improve them and to work on the procedures to further democracy. The most important model is undoubtedly what we discussed yesterday, namely collective bargaining, with the requirements and organisation it can entail. It is a vital component, because it encompasses a democratic essence, and we must strengthen the processes thereof at all levels, of course.

This depends, of course, on the number of people who take part in the negotiations. We naturally prefer negotiations and agreements that release wages from competition.

At the same time, the existence of organisations in companies, general consultation and supervisory boards are all very important elements for strengthening democracies and are among the basic principles in the struggle waged by the German trade unions – in the case at hand, the supervisory board, in which workers participate, which has to take collective decisions, and represents a particularly important element. The trade unions must work to improve and enrich all these elements which are still lacking in consistency and quality.

Why is this necessary? Why is more democracy needed in the economy?

It is a matter of human dignity, first and foremost. Democracy is one of the expressions of human dignity. We have to preserve the primacy of work over capital, preserve the quality of work – which is fundamental – and we are trying to specify these aspects; then we must obviously strike a balance between labour and capital. I believe that there is also another crucial point comprising qualification, performance and the policy of a company, based on more democratic participation – all of which we must secure.

Aline Conchon cited a study that shows that companies which apply co-determination produce good results. It is therefore important to ensure democratic participation by workers, who can also contribute to the development and economic success of the company.

We welcome the success of the German model, in spite of the fact that the rules still do not seem to be sufficient to ensure quality, for instance, we are starting to witness signs of decline. Our trade unions have to be revitalised. I must also point out that the European dimension is sorely lacking in the German model – as in other countries, for that matter. We must realise that we need to improve the democratic elements. The founding principles must be turned into concrete models and procedures according to a democratic concept.

At this point of my comments, I would like to raise a series of thorny questions: we often talk about a subsequent development of our economic systems and the crisis which appeared as of 2009. We are told that it coincided with the end of the capitalist system as we had known it in previous decades. We, as trade unions, think it is necessary to start from the current situation to consider the future development of the economy. In its current form, the system will not last very long; we must ask ourselves what these democratic elements (co-determination, collective bargaining) can do to improve our capitalist economic system as we wish to define it.

Are co-determination and collective bargaining elements that can improve the democratic quality of our companies, or do they constitute a temptation? Some are starting to think that it is false, that they are used only to set the minds of people at rest, and I wonder whether it is really possible to further democracy in our society by using these tools. We must introduce new ethical ideas in the economy.

Does co-determination in the economic field contribute to stabilise and develop democracy?

If we have a common awareness of democratic elements in European countries, how can we work to introduce these elements in the economy? What type of support do we expect from the social partners? Do entrepreneurs really support us? Who are against these democratic elements? These are questions that every country has to ask.

As to the European dimension, there are a lot of differences, but we must also find points in common that brings us closer and try to be sincere on what is happening in the trade unions of each country by asking what is the value of a common European solution and even of common European rules.

I thank you for your kind attention.

❖ **Eric Peres**

I shall echo Hugues Bertrand's idea of change of paradigm, to specify that we are going from a company where, in exchange for labour force, the entrepreneur provided social protection (albeit rudimentary at the outset of the labour movement) relating in particular to elements of the contract of employment, to a company where all the managerial policies transfer the risk and responsibility of the entrepreneur's management exclusively to workers. This is the age of securing financial assets and securing the loyalty of the shareholders, while workers see their contract of employment come under attack every day, generally as regards the most protective aspects.

Whereas the company and the industrial project used to represent a solid element of cooperation in the world of work, we are now entering in an occupational world where everything tends to become liquid. The financialisation rationale is thus contribution to this movement to make the market more fluid where competitiveness feeds on flexibility and where, like assets, wages become economic elements that must generate revenue, but that can also be transferred, sold off or liquidated in the form of severance schemes in particular.

If we are to regret the traditional organisation of work – a hyper-hierarchical structure with extensive specialisation in tasks -- it is above all because it comprised an important element: participation by management which was far more attentive to the growth of the company than to that of its workers. Nowadays, on the other hand, the focus is essentially on calculations of return on investment (ROI, ROCE,...).

The other important element of this traditional model, as we have known it in Europe, is a significant presence of the State as an economic stakeholder, adopting the role and force of public power. The rationalisation of the company's market to secure productivity is associated with the importance of the regulating role of the State. This would lead to a great period of prosperity, affording trade unions the capacity to negotiate and obtain advantages. This Fordist compromise must be reconstructed.

At the end of the 1980s, the financial rationale dictates that companies and States have to seek financing on the market. The management methods in companies change to reflect the new economic rationale. From Fordism to Toyotism, we arrive at lean management, which consists of reducing the spaces of uncertainties and all dysfunctions. The worker is subjected to very heavy pressure in terms of working time and pay, leading to greater stress and psycho-social risks. The pressure exerted on the company by competing markets will thus be passed on to the workers.

After the captains of industry and managers of the post-war period, the market is making room for a new figure of the economy: the shareholder. The rationale is generally that of a return on investment, double digit return to obtain higher dividends. The share of the dividends paid to the shareholders has never been as high as during the crisis, at a

time when severance schemes and unemployment have continued to go up.

What is to be done? I appreciated very much the comments on employee participation in the company, even though there is no question of confusing the power of employees with that of employers for FO. The capital-labour merger is no panacea to give workers their freedom and defend their interests. Nevertheless, it is necessary to reinforce the capacity of these employees in boards of directors which are often advisory bodies where workers have little information to be able to take pertinent action on the economic and strategic stakes.

In France, a recent agreement on protecting jobs, which the FO did not sign, specifies that as of 5,000 workers, i.e. in 229 companies, it is possible to have an employee representative. That said, said representative may be shop foreman or connected with the works council, or committee on health, hygiene and working conditions. For us, the strength of the trade unions resides in their capacity to create relations of force, above all in order to make significant gains, through the contractual policy, for job security and economic activity. For that to happen, however, the employers must play along and be favourable to this type of negotiations.

The French employers are giving very poor reconciliation signs at this time, however, particularly regarding participation in the social dialogue. They threaten to withdraw from the parity principle, particularly on the issue of unemployment insurance – a thinly veiled threat – and have no longer any intention of invigorating contractual policy round sector agreements. The only avenue they favour to bolster competitiveness remains that of old recipes concerning exemptions for social security contributions, tax reductions and wage freezes.

❖ **Paolo Carcassi**, Confederal Secretary of the UIL, Italy

Good morning. Unfortunately, I was prevented from attending these proceedings from the outset, because I was busy settling a company dispute – an activity that trade unions have to attend to more and more frequently.

In Italy, the trade unions are very busy settling such disputes. I would for that matter like to broach this issue, and in particular the strategies to be charted and actions to be taken. The country is in dire straits: 7 million people are unemployed or not in the labour force. It is a real social time bomb which has not exploded for the time being, but we know that it will not be long in coming.

Six hundred thousand people receive benefits; we have seen GDP decline in the last eight years, since the beginning of the crisis, and we have lost 25% of our production.

In such a situation, the crisis has aggravated labour relations. This situation raises the question of how to redefine strategies and objectives in order to restore labour relations, and help our country find a way out of the crisis, while projecting jobs, the workers, or at least helping employment recover and regenerating income for working people.

I think that we must first of all look into bargaining, and speak about bargaining. We think that bargaining must be the element to protect as a matter of priority. We have quite a strong system in Italy, from the point of view of national collective bargaining and of decentralised bargaining, i.e. second level bargaining, but we must try and make bargaining as seamless and simple as possible. We have just signed an agreement on representation which initiated this process and there is a certification of trade union representation. We know the stakeholders involved; we know when an agreement is flawless and valid; we know what the consequences are when an agreement is not recognised by an organisation. There have been problems in our country which led to a difficult situation in introducing national collective bargaining. We must do more. We must rethink the system of collective bargaining. We must study the development thereof.

There is a major variance in the Italian production system – a variance of productivity. We have talked a lot about productivity and wages which have not gone up, and the overall loss of productivity, in terms of both jobs and companies. There are also factors relating to the system, to the elements that do not, in and of themselves, concern labour and industrial relations. The trade unions could see how we increase and develop productivity. We should retain the national collective bargaining agreement, but must also involve the company in the discussion and the debate in order to obtain solutions geared to boosting productivity, and must acknowledge the contribution of workers in the company's performance.

This subject is closely linked to company relations, how the worker can have his say in the company's strategic choices. We tend to deal with crises in companies under second-level agreements. We have seen these discussions relating to crisis management double in companies in the last three years. We think that this trend should be reversed; however, trade unions and workers must participate not only in the crisis management phase; but a way must be found

to participate in the information, consultation, determination and adoption of choices and strategies for the company.

It is necessary to get this employee participation off the ground, because we are late. There are instances of voluntary participation on the part of some companies in Italy, but there is no general framework to promote the participation and co-determination of the workers. There was a bill that was supposed to define certain elements that would include this type of co-management. We are going to continue on this front so that we can reclaim this project; otherwise, we are doomed to managing conflicts only.

The trade union is based on this strength of claim, but there are other phases for the construction and development of the company, and we cannot just get involved only when the company is in crisis. All this must become a constant relation between the trade unions and companies. We must concentrate on this revision of the contract system in the months ahead.

After the representation agreement, we must think even more about the role of the national agreement as a guarantee, but also focus on company bargaining and on strengthening our presence in the company, in all the consultation, determination and decision-making phases, bearing in mind that this is not one of the objectives of the other stakeholders in the company, which would want to restrict us to our traditional role. In other words, the company's choices are not the exclusive purview of the company's board of management.

A real Italian representation law should be enacted with regard to employers more than to employees. We will manage to get employers to bring about such a law; we want to know whether the government believes in it, because it is an issue that reverses the status quo and can lead to a positive development of the system of relations between companies and workers. We hope that the government does believe in it and that it can commit itself to that end with the determination it has shown on other issues.

Furthermore, there is one positive thing: the exceptions. The increase in real participation rates by workers and the forms of co-determination of choices have shown that company performance improved. There are success stories. That could be a good line of reflection, a good example to follow.

But given the legislative framework and the system of current agreements, they are only exceptions. We must henceforth find real forms, defined by law, which has to take precedence. The European framework has shown us that there are success stories elsewhere. We have seen the results thanks to the analyses that we were able to listen to this week. We must now find solutions at the national level that can help us reach these objectives.

Thank you, Paolo. The general discussion is now open to those who want to take the floor.

DISCUSSIONS

❖ Udo Rehfeldt

I have a few questions for Hugues Bertrand: If I understood correctly, he called for a new economy or a new policy concerning sites. Certain aspects reminded me of a German movement in the 1920s when an attempt was made to establish an independent academic branch for the management of institutions, which constitutes the academic discipline which would become known in France as "management science." The idea is to be able to establish techniques that would enable us to extricate ourselves from the movements of capital and create a management released for that concern. That would have all my sympathy, and I also agree with the idea that shareholders are not entitled to decide on the company's choices. That said, does saying it suffice to prevent them from making such choices, today more than ever before, given the requirements of maximum profitability?

My question is this: what would be the mechanisms that could prevent this control by shareholders over the company's choices? Could we, for instance, enact a law that would guarantee a certain necessary profitability for providers of capital, but would prevent them from exercising control over the company's decisions?

Another question: Who are the legitimate stakeholders in such a case? You said that it would be the trade unions, up to a certain point. You also said that the employee representatives would be entitled to participate, but especially for questions concerning the line of business and the site. What about the other questions? What to produce?

How? And where?

I will cite only one element: in Germany, we tend to forget that all too often. In co-determination, there are employee representatives, as producers in the supervisory boards, and the trade unions, as representatives of the broader community.

A side issue: What happens when there are several sites and a choice has to be made? Or several sites in different countries? How should we then organise the action of workers?

❖ **Silvana Paruolo**, CGIL, Italy

For my own curiosity, I have a question about the situation in France. Unfortunately, as a result of the European elections, Marine Le Pen now heads the country's leading party. Does she have a clear idea on this subject?

❖ **Fulvio Fammoni**, President of the Bruno Trentin Association, Italy

Two points, between questions and considerations. The democratisation of the economy is undoubtedly an issue, and these forms of employee participation can contribute to this democratic impulse.

It is clear that the potential is there, as there are limits in the experiments that are under way. This survey of employee directors is important, and we have heard how they are useful in the subsequent developments of possibilities for power, influence or control.

There are clearly differences between European countries, of course. There are also countries, such as Italy, for example, where this type of experience does not exist at all.

The dual mechanisms (supervisory board, direct presence in the boards of directors, albeit in a minority capacity or through minority vote mechanisms): where experiences are available, they are coded on the basis of legislative mechanisms, and these are influenced by history and, in the present case, by an unfavourable period – a period during which discussions have been held and laws enacted. For Germany, I remember the opposition of associations of employers regarding these laws. The law was enacted constitutionally and we continued in that direction.

In Italy, beyond the crisis phase – we must consider that it will end sooner or later and that we will have better times, when we will not be on the defensive when bargaining – the Italian employers are not prepared to think about this type of experiment. There are many differences between Italian trade unions up to now. We have known different policy phases in this country, which have shown that a legislative mechanism was not possible without a prior agreement by and between the partners – a mechanism that could steer the experiment in that direction, of course, to improve this type of situation and discuss principles at European level, irrespective of their implementation.

I shall conclude by saying that I think that these questions require further consideration: the first concerns the forms of participation and the size of companies. They change depending on the country. If we take into account the Italian situation and the size of German companies, we would have very few cases where the mechanism could be implemented. We cannot think about a general subject for the democratisation of the economy based solely on the threshold for the size of the companies. We must find forms for considering these questions.

Second topic on the basis of existing experiences: Where forms of participation to exist, what real influence can trade union activity have? The bargaining mechanisms and the right of workers to strike are points that should be discussed and tackled to find forms that can concern the different national experiences and finally, the quality of the forms available, knowledge and training of individuals, the employee directors who sit on those boards; but care must be taken as to what might result in terms of direct participation by employee representations or external experts.

We must avoid a proliferation of an army of experts outside the trade unions, participation professionals outside trade unions, who are going to take us outside the reasoning we have invoked today in relations with employers.

❖ **Denis Meynent**, Advisor to the CGT, France

I would just like to make one point about the Economic, Social and Environmental Council, a tripartite institution which is also a social dialogue institution: Where do we stand?

One or two years ago, we had an opinion on the participation of workers. The real title is this one: "Participation and involvement of workers as an essential component of good corporate governance in Europe and balanced solutions to get out of the crisis."

What we wanted, was to weigh on the next plan on European companies law submitted by the Commission some time ago.

An Austrian trade unionist did so, and I participated in the work as well. His opinion is interesting, because it is also a good indicator of the position that the employers may adopt on these issues – as they ultimately voted in favour of this opinion. There are three parts:

- Involvement and participation of workers in the crisis context. I am not going to elaborate.

- Sustainable company model: The rapporteur did not invent anything since the exercise takes over work by the European Trade Union Confederation, and we are aware of two very interesting books (in English) on the subject: six characteristics on this sustainable company, including the idea that the company is a multiple stakeholder. We go from a shareholder to a multiple stakeholder approach. There are employers who at the outset denied the very idea that we could be representatives of several stakeholders. We have made some progress on that front. The second big idea is that the determination and attainment of major company objectives are the result of a joint effort by managers and workers. The idea is that corporate governance must be geared to the long term. The issue of manager pay must be linked to corporate sustainability objectives. My last point on the matter will be: "What types of investors are we interested in?" Long-term investors. A Commission paper on long-term investment has just been published, in fact.

- The third part, which is more interesting in my view, concerns the subject of recommendations for improving and consolidating the legal framework. The first, conventional point is: harmonise the different definitions of information/consultation. The second idea is that the fundamental right to information for and consultation of workers, for which there is an implementing directive (dating from 2002), should be extended to questions concerning participation. This would make it possible to introduce this new right everywhere where it did not exist and, at the same time, to comply with national rules in participation issues. We have seen, yesterday and this morning, that there are different traditions, and also company size issues. The consideration of participation in Germany is not the same as in Italy.

Finally, on the question of restructuring (a crucial point), we have been foiled somewhat. We wanted to define minimum constraining provisions, and we've had to eat our hat, since BusinessEurope is fundamentally against it. We managed to mention the main lines of a report, adopted subsequently by the OPE (corporate parenthood charter).

This is where we stand on the question of participation of workers in the Economic, Social and Environmental Council. We have used this opinion for all the other initiatives proposed to the Commission on companies law, long-term investment, etc.

❖ **André Gauron**, Economist at Lasaire, France

In addition, and as regards the French case of employee directors, a law enacted last year following the inter-branch agreement, enshrined the generalisation of employee directors in companies with more than 5,000 employees.

First point: This law introduced an immediate restrictive element which went nearly unnoticed which stipulated that *holdings* with fewer than 50 employees were exempted, even if the company has more than 5,000 employees. If the holding has fewer than 50 employees, it therefore not required to have an employee director: this represents 40% of the companies of the CAC 40, including companies like Alcatel, Schneider Electric, Axa, etc., which will not have to have employee directors at the holding level. They will be required to have such employee directors in subsidiaries that manage more than 5,000 employees, but the boards of directors of these subsidiaries are not places where strategic guidelines are decided, which means that a certain number of employee directors will be present in important companies, but in point of fact they will not even have the power of influence that Aline Conchon talked about, since these will be bodies where no strategic decisions are taken.

Second point: The problem of legitimacy. In the French case, there are one or two directors, but who do the employee directors represent in internationalised companies? They will be elected by the employees at national level, , they will be elected by all the employees of all the companies at international level: In that case, isn't the works council of the group, where it exists, more appropriate, than elected employee directors who no one knows whom they represent?

Another question which ties in with the discussions is: 'do they represent only permanent employees or the entire labour force on all the sites?

Finally, one last point: In the French case, unlike in Germany, it is prohibited to combine the offices of employee director and membership in the works council, and therefore the problem of the relationship between the employee director and the trade union, with the confidentiality obligation, is a problem that will come up. The law, however, is going to strengthen the works council's information powers in parallel with the introduction of the employee director. We therefore reach a situation where the works council in France is a place where there will be more discussions on strategy issues than in the board of directors. The question that can then be asked in the end is: Was it a good idea to call for an employee director, or should we have insisted more on strengthening the powers of the works council?

Drawing on his experience in Airbus, and relying in particular on what he knew about the rules in Germany, Louis Gallois had suggested that works councils (or at least their equivalents) in France should be, as in Germany, chaired by a union official and not by management, which would bring change in the way the works council functioned.

In conclusion, the employee director is not a panacea. There is undoubtedly a real discussion to be conducted in depth in the years to come by and between the works council and employee representation institutions.

❖ **Luc Voets**, Director of the Research Department of the FGTB, Belgium

I would call for great caution in this discussion. We spoke yesterday about the trend in the unionisation rate, and the trust and confidence of workers in trade unions. As far as Belgium is concerned, the membership trend remains satisfactory. There is great trust and confidence on the part of workers, which can be seen in their capacity to mobilise when necessary. This must be preserved without fail, so as to avoid having this trust threatened by reforms which would risk causing confusion between the role of trade union representations and those who are the real decision-makers – without us being able to have any real influence on those decisions.

As to the series of conditions which were listed in Aline Conchon's presentation, and which should allow for a real decision, I believe that under the current conditions and relations of force, we are not capable of imposing reforms that would make it possible for all those conditions to be met. I must say that I am quite wary about this type of reforms, which does not mean that we must not try to strengthen economic democracy, of course. I believe that we must try to open new forums for discussion and consultation with the employers, particularly as regards investments, economic innovation and social innovation.

I believe that we must be capable of offering a certain number of instruments that would enable workers and their representatives to discuss the economic situation of the company with management in a deeper and more educational manner than is the case at present. I moreover believe that it is necessary to open a new forum of negotiations for the organisation of work, for instance.

Yet I wonder whether that must not be accompanied by structural reforms, representation in the industry committees,⁷ or whether priority should not be given to deepening social consultation in other fields.

❖ **Antonio Lettieri**

Three remarks. The first concerns the aspect of Italian expectations, which our French colleagues are thoroughly familiar with.

We have never formally experienced participation in Italy, never. We have never had any form of co-determination. That said, drawing on my own experience as a trade unionist from another historical phase, I will refer to an important and perhaps underestimated aspect in the current European discussion, namely the erstwhile strategy for the rights to information and consultation.

Now, the words consultation and information represent an experience that was really analysed and studied by Bruno Trentin. For us, that represented something very important, in large companies, of course, but also in medium-sized ones. Before engaging in real bargaining -- on wages, for instance, -- the main point was the right to information and consultation.

Information and consultation on what? On essential elements: Investments, quality investments, location of investments, impact of investments on technologies, technologies and organisation of work, and finally, the effects on employment. These were fundamental elements in our bargaining process. So before proceeding to the typical subject

⁷ The equivalent of the works council in Belgium.

of trade union bargaining, we resorted to a frame of reference on those aspects.

This is not co-determination. We never even defined these elements as participation, but our colleagues who took part in these negotiations did participate, and did so concretely, because the conclusion had to be a form of consultation which in reality was more than a consultation. An agreement had to be reached, and agreement meant that mediation was required.

I am thinking of the experiences that we have had in the steel industry. No agreement was concluded if we did not know about the investments and where they were located, e.g. the technological impact and therefore the impact on jobs in Southern Italy. I am thinking of Fiat. Today, to mention Fiat and information/consultation in the same breath may sound grotesque, because Mr Marchione thinks that the word information means press release. We can agree with the press release. It is marvellous, because the trade union participates in it! But if we do not agree, we are completely excluded from representation in the company.

I am going to say something else on which our colleagues dwelt today, and also on the Klaus experience. Can we lay claim to participating in consultation/information in a phase of extremely weak contractual bargaining? I am thinking of IG Metall in Germany, which has a great capacity for dialogue, determination and bargaining, in spite of the difficult situation. A major agreement was concluded with Ford in Germany a few days ago for €10 billion, with a gross salary of €37 per hour. But that is the result of bargaining, perhaps the result of participation, and above all, the power of bargaining that IG Metall and the industry trade unions have in Germany.

From there, it must be said that the capacity for bargaining depends on the trade union's capacity to represent the workers. For our part, we have lost that capacity. In the past, when trade unions represented skilled workers, our problem was to broaden the representation; we wanted to represent them all: technicians, engineers, managers and workers. It was a challenge and we had thus acquired bargaining power based on the fact that we were highly represented in a united manner.

Is this still the case now? No, there is nothing left. The labour market is divided between workers with relatively stable jobs and workers with systematically precarious jobs. This division of the labour market exists even within companies, and that weakens the powers of representation and bargaining enormously.

What Susanna Camusso said yesterday was that having inclusive agreements was a strategic point without which any discussion became academic, literary, a subject for a trade union sociology article. We cannot therefore speak of the power of participation, which is merely academic. I exclude Germany, which has its own history. There are elements of "Mitbestimmung" [co-determination], which go back to doctrines from the beginning of the 1920s, I believe.

That said, I will conclude by pointing out that, in my view, there is an interesting and intriguing discussion on the merger of large companies in some countries such as France and England. I am thinking of Alstom and General Electric.

At the outset, the talk seemed to be: "What do the shareholders think of Alstom?" The shareholders of Alstom are probably very interested in a merger of at least part of Alstom, the electricity part, with General Electric, because that is the world's largest company, whereas another part, and I think that the discussion is still in progress, preferred an alliance with Siemens or Mitsubishi. This is important. I think that important positions were taken in the French government.

In Italy, it is exactly the opposite. When Mr Marchione decided Fiat's automobile policy – a policy that ran contrary to the Italian industrial policy – the then head of the government, Mario Monti, saw no problem; he thought considering that Fiat was a private company and that Mr Marchione could make his own choices. The trade union has its weaknesses, but if a government says such things, it will mean the destruction of Italy and of the great old Italian enterprise. Fiat and Chrysler now produce 7% of their cars in Italy; 93% are produced outside the country.

The case of Alstom/General Electric is important because we are starting to understand that workers represent an important part.

To conclude, in England, we can refer to the AstraZeneca/Pfizer merger. The CEO of AstraZeneca holds 30% of the shares in the company and is favourable to this merger. On the other side, we have a party which is against it, and which argues that we will lose a great source of national research, researchers and technologies. Who is right? The shareholder or the workers/technicians and all those who are thinking of the assets that could be lost?

I found a very interesting article by Martin Wolf, the chief economic commentator of the Financial Times: "What are you talking about? Can we ever entrust a decision of such importance to shareholders? I may have owned my

shares for 10 years or ten minutes. How can a shareholder decide? In AstraZeneca, there are engineers, technicians, researchers, hundreds, thousands of individuals who have been there for 10 years, not 10 minutes, or even 20 years. We cannot decide without regard to their opinion!”

I found this article surprising, especially because it comes from the United Kingdom, a hyper liberal country in Europe. Perhaps we should consider again the power of bargaining and participation, as tried and tested in Germany, or as we used to apply it in the past even in Italy?

❖ **Joël Decaillon**

I would like to go back to what Luc Voets said. If we take the example of the Scandinavian countries, we see that there is a close connection between management, participation in the economic strategy, and above all, the organisation of work, particularly with regard to occupational health.

How can we get things moving if we do not widen the discussion to that concept?

In an effort to be very concrete, we had a very serious discussion with IG Metall when I was at the European Trade Union Confederation (ETUC) on the reduction of CO₂ emissions from cars which could not be considered as purely economic. We, IG Metall and ETUC, agreed on the European directive which called for a reduction of CO₂ emissions. Young people in our countries are interested in these discussions. The company is not a closed area. It has influence on the organisation of society, particularly on matters of public health and the environment.

Another example: the Reach Regulation on chemicals enabled us to engage in new social relations in Latin America. It is a way of trying to raise the problem of labour relations in other conditions through alliances among the populations in countries where trade unions are very weak. It would be a shame to promote participation only in economic management. The concept is far broader. New rights have to be won, for example on the food safety front. We have to look at this chain and its production as a whole, and it is not necessarily an economic right, but a right of knowing and providing guarantees for consumers.

The company cannot remain closed. We cannot be in an open economy with closed companies. The law must be examined in another way if we want to develop the notion of general interest, so that it is broader than the restricted notion from a purely economic perspective nowadays. It is a way of projecting a more open and more solid trade union vision among new employees, who are far more interested in such issues than the older ones. They are interested in the nature of what they do -- not only in the environment of their work, but also in its public and social utility.

These concepts really need to be articulated. We understand Scandinavian developments very poorly outside of that context. There is a great correlation between the two aspects: the economic dimension concurs with occupational health and hygiene aspects. We must also be able to take action on technological choices and options, as well as on matters concerning supplies and raw materials. Otherwise, we are in the confines of accepted competition, which is to say that we agree to accept all the external premises, so that we can then ask that internal conditions be managed between ourselves the employers. This vision accepts the fact that the system is fully in competition and that we would not be able to bring the other parameters to bear.

A few years ago, we had taken wing in an article with André Gauron that appeared in *Les Échos* saying that the cost of labour was not to blame. The cost of labour cannot be the sole variable nor the sole parameter to take into account in the corporate economic system.

❖ **Stefano Maruca, FIOM-CGIL, Italy**

I share the views of Klaus Mehrens when it comes to employee participation and a better economic democracy. The vital evaluation factor is the role of collective bargaining. The different forms of participation must supplement and reinforce the role of workers as stakeholders in collective bargaining. Otherwise, if we create a sort of opposition and if these new forces help to reduce the capacity for collective bargaining, then we certainly will not be in the right direction.

But in the new context of multinational capital and economic democracy, we must bring ourselves up to date, because we are no longer looking solely at the interests of the company on a given territory or a site established in a single specific territory.

We are now in the age of multinationals with many branches and hundreds of sites around the world. We cannot therefore ask ourselves where the place of representation and participation is. The workers in Bangladesh who work for an Italian fabric brand had no trade union rights, so how could they be represented or assert a trade union role? A law was enacted to have their rights asserted.

What are the limits in the legitimacy of the decisions of shareholders as providers of capital? And what are the areas in which the workers -- the collective dimension, who undergo the economic activity -- can have their say?

We are talking about free economic activity but also of protecting the collective interest. It is no coincidence that Confindustria and others want to eliminate this or that article that goes in that vein.

What is the limit? It must also redefine a balance on different levels, whether an individual or a multinational company. I am not going to speak about Mr Marchione, press releases and his method, the one who invites these but not those to conferences. Someone said rightly that it was not fair, but I also heard talk about the trans-Atlantic treaty that should expand investment opportunities.

There are dangerous subjects: What should be the rights of investors? Multinational companies could undertake legal action when a decision on health or the environment produces economic damage. Where are the activities of democracy and control?

Even in a system which is based on the impunity of financial capital, contained in an industrial system that provides no participation, where the representatives of the population cannot intervene within the boundaries where decisions are taken, a basic human right must be asserted, otherwise we will only have palliative care to provide, which will never give people a real opportunity to participate in the decision-making process.

❖ **Aline Conchon**

I have the feeling that I am obliged to clarify the presentation in view of the comments that have been made. My presentation was deliberately limited to a small aspect of participation, namely participation in the company's strategic decisions, because that aspect is rather ill known.

If the generic term of participation is applied to the company's strategic decisions, it will cover multiple realities. It may be participation in decisions or a financial participation, and when it is a participation in decisions, it may assume different forms of a trade-union nature or otherwise. It may pertain to different subjects such as strategic decisions, issues to do with health, safety, organisation of work and management.

It may be played out at different organisational levels: the workshop, headquarters, site, company, parent company, parent company in the United States, etc. This participation can also assume different forms: simple consultation, exchange of information, joint decision, and self management, – and here we fall in situations where the workers are the only ones to take decisions.

Finally, the last element entailing that participation can cover a plethora of aspects is that it can take place at different times in the sequence of the decision-making process: at the time when the need for a decision is felt, when different possible solutions are explored, when a choice has to be made, or when the decision is implemented.

I deliberately omitted a prescriptive angle to the effect: "That is what we must do, it's the best and only possible way." I insisted on conditions under which it would function properly. Here, some elaboration is needed. The presence on the board of directors is not something extra to other forms of participation, whether in the works council or in the collective bargaining.

It is an interesting follow-up inasmuch as we are talking about the new French law, for example with new rights granted to works councils, or the sole basis of information. On this basis, the quality, details, and scope of information then provided are not in line with the remit given to directors when they have to decide on a vote. If only for the quality of the information, it is in the trade union's interest to have access to this information which it would otherwise not have.

We were talking about organisational levels. If you sit on the board of directors of the parent company, you have access to information not only for all French and European subsidiaries, but for units throughout the world.

The other asset is that by being on the board of directors, we find ourselves in a position of complement and not of substitution. I am not saying that we must be either on the works council or on the board of directors, or to engage in bargaining, but that the complement is valuable, particularly in view of the fact that, owing to globalisation and

financialisation, there has been one stakeholder whose game can no longer be hidden in the company since 1980s, namely, the shareholder. The latter must be distinguished from management. Today, we have a shareholder who is the owner, and a management that is in his service. Consequently, labour has traditionally engaged in talks with management, but never with the shareholder.

Whereas it does not allow for a direct exchange, the board of directors is nonetheless a forum where the position of the shareholder and his plans can be heard; and the works council is not a forum where you can get this type of information.

One last point of interest: There is a trend to decentralise collective bargaining. At the same time, we are witnessing a centralisation of strategic decisions.

As our Italian colleague said about multinationals, it is obviously important to have decentralised collective bargaining on an Italian site undergoing restructuring, but if the basic strategic decision was taken by the parent company in the United States, we may well ask ourselves how to articulate the decision-making levels in the face of this type of participation relay. Articulation must be seen as a complement, I must insist.

And like any national system of labour relations, we cannot understand what is being played out if we do not see all the constituent elements of the global system of participation.

A second point raised in the discussion: the question of Europeanisation, of internationalisation, which I would shift to the issue of employee directors. In different European countries where these rights exist, employee directors sit on the boards of the parent company that have a site nearly everywhere in Europe or the world. However, with the exception of rights in Denmark, Sweden and Norway, national rights entail that only employees of the country where the company is established can be appointed to its board.

Whom do they represent then? Only the workers of that country, or are they required to represent all workers throughout the world?

This is a point that German employers picked on to revive their criticism and demand for deregulation of the co-determination system, arguing that we are faced with a discriminatory system, since all the employees of the company, of the group, should be able to vote when an employee director is elected to the board of the parent company. These are the discussions in progress, taken into account in the French law, although the matter can be discussed further, because it is at the European and not the world level. In any event, the question of the representation of this participation arises.

Another open discussion: What is the task of the employee director? I spoke about “representatives of workers,” but they are also “directors.” When you are a director, your task is not to defend only the interests of workers, and that is where the discussion opens, because there neither consensus nor a precise and objective definition of what the task of a member of the board is to be. There is a social construct behind this, inasmuch as the term can be interpreted differently.

In Anglo-Saxon countries, a director is supposed to defend the shareholders. That is what is generally stipulated by the labour laws in the UK and the United States; it is also the language of national corporate governance codes. That is not to say that it is the case everywhere, or that it should be.

For example, in Germany, it is said that a director must defend the interests of the company, bearing in mind that the interest of the company is the sum of the interests of workers, shareholders, subcontractors, suppliers; in which case, the director is entitled to focus on one interest in particular – that of the workers, for example – at a given moment.

In France, we are still discussing the issue. The question remains open: Given the structure of French law and the Civil Code, we could say that the director’s task is to defend the interest of the company, but isn’t the company the sum of each of its interests? It is far more than that: it is an independent interest. Consequently, the director must not lay emphasis on a particular interest to be defended.

We have talked about the institution, participation, the stakeholders and the rationale. The question of this director’s task also arises in the background at project level –to what extent that task will conflict with a dominant approach in the law, which may dictate that the director has to defend the interests of the shareholders only.

Two last points: I come back to a key point on the articulation between the different stages of participation. André spoke about the specifically French feature of prohibiting the combination of offices. A shop steward can be elected to the board of directors; once he is, however, he can no longer be a shop steward.

Such a prohibition of a combination of offices is in force only in France and in privatised companies in Poland. This poses articulation problems. By way of reminder, this prohibition was introduced at the request of trade union demands from back in the 1980s. When the discussions were conducted on representation in boards of directors, the trade unions opposed to such participation had said that, in the worst-case scenario, it was nonetheless conceivable (in public companies, at the time), on condition that the employee director could not also have trade union duties, so that he would have to resign from all those positions, in order to be seen as a fully-fledged stakeholder.

It is interesting to see, at present, a reversal of the situation, because these organisations are calling for the abolition of this prohibition of combination of offices, which they had previously demanded that it be put to practice. The law of 2013 in France extended the list of offices which cannot be combined, bearing in mind that the extension of this list is a governmental decision that was never asked for either by the employers or the trade unions. We may well wonder what the underlying purpose was...

One last point about the employers as stakeholders. There is no mechanical effect when there is a representative, because he arrives in a system and is in a relation of inter-dependence with other stakeholders. So his capacity for action will also depend on the plans of the other stakeholders. For example, if the chairman of the board of directors does not want his director to take the floor, he will manage to do so. And in many boards of subsidiaries, the employees do not utter a word during the meetings.

We were however talking about the relations of force, which are not favourable, but that is not entirely the case. A fringe among employers, more progressive in certain countries, is open to the idea. This is the case in Germany, where national employers' organisations (the BDI, BDA), are hostile and would like to deregulate, but certain employers on the other hand have individual positions clearly in favour. The same applies in France -- and it makes a difference if a member of the board of directors is in favour or not.

We were talking about Louis Gallois. Having examined the French case, employee directors, who account for one third of the board of directors of the SNCF [French Rail], were not faced with the same situation with Mr Gallois, who took the time to listen; then, outside the board meetings, people could discuss the issues with him off the record. It is up to the shareholders to take account of an entire dynamic, up to management, in fact, particularly the chairman of the board; and, as a matter of fact, the employee director will not be able to do anything on his own, if these stakeholders are not favourable to a real participation in strategic decisions.

❖ **Hugues Bertrand**

I had initially taken care, and I am glad I did, to say that I was on the side of the questions and not of the answers; that relieves me of a number of problems, but I moreover see that we have nonetheless made a lot of progress with the answers – so I am delighted.

I am going to reply to certain points. I was asked by my friend to make myself clear on what he refers to as “a call for a new site economy.” So, I am not calling for a new site economy, I am simply looking for a definition of a company today. All our discussions revolve around that. It is a protean entity that we are having a hard time of defining, and the extreme mobility of capital makes matters even more complicated. It's difficult to grasp what this entity is.

I tried to designate places. There are many ways to designate things. There are places where there is productive solidarity, often a site, but it can be something else. I spoke of entrepreneurial trades, and there is a proprietary solidarity for every trade.

The fact of searching where solidarity can be found is important for workers, because their fate is linked therewith; and we can imagine that there can be something that resembles a site or a trade strategy – and why not?

I have seen fabulous, magnificent, efficient sites, which closed, because nobody gave a damn about a small site in southern Brittany in a group headquartered in Toronto; the workers worked well together, but did not fall under the group's strategy, so the site was closed. And yet, there could have been a site strategy to find out how we re-situate ourselves in the productive track. It is not a standard idea, but simply cases about which we have to ask questions.

We must nonetheless discern places of production and of power. The places of power are designed by the shareholders, those of production by labour, by the way the work is organised. And that is obviously not the same thing. There is a specific configuration to the power of shareholders and another that is specific to *productive solidarity*. So

how can the two be coordinated?

I would like to go back to another point broached by André Gauron: Should we focus on boards of director or develop the power of works councils? We can imagine that the answer is not the same in all countries, in all situations, including legal frameworks.

My view is that if there are employees on the board of directors, their presence cannot be symbolic. It cannot be one or two persons dressed in their Sunday best to attend the proceedings and discussions of representatives of the shareholders, who may disagree or protest, but without being listened to. We cannot afford half-hearted measures. It's either full-hearted measures or nothing.

Now, a point rarely raised, except by our friend Fulvio: the question of experts. We never address the question of experts, or if we do, it's in hushed tones or in the corridors. When we speak of presence in decision-making bodies, we must be enlightened and properly equipped to propose other approaches and other solutions as and when necessary.

It is a very delicate question, because it concerns the relations of powers of trade unions with the experts – relations that are not necessarily more inclined to see part of capacities for analysis and intervention escape them. It is therefore a question that begs to be open and, in any event, included in the search of how to establish counterbalances in the company.

When Antonio Lettieri talks about a shareholder who holds his shares for 10 minutes and one who holds them for 10 years, it is not the same thing: it is an entry point in this matter. We may well imagine that these two types of shareholder do not have the same rights and same possibilities for the long-term direction of a company. We need to examine that. I would nonetheless temper his enthusiasm in lauding the French government for Alstom.

In reality, we have a lot of companies that leave without the slightest action taken or tear shed by the government. We have seen ArcelorMittal go; we have seen Pechiney go. Many of the very large groups which we looked upon with satisfaction and pride, and expected to benefit from their development, have not fared very well. They were subjected to very recent restructuring operations, the results of which will be seen later, but not altogether superfluous, in any event.

❖ **Nicholaos Skorinis**

Most companies are SMEs first and foremost. In Greece, for instance, the rights of workers are virtually non-existent; sector agreements are weak or non-existent; a lot of work is undeclared; wages are below what was agreed in collective agreements; there are employers who are not members of employers' organisations – these issues have to be discussed in greater depth to see whether these companies can be reformed structurally, particularly in the form of a social economy or cooperatives.

We have two own-initiative opinions from the Greek Trade Union Confederation on the bases of social protection, available in French and in English.

❖ **Eric Peres**

On the question of experts, we must do whatever it takes to internalise this economic approach in trade unions, which has not always been easy.

In France, points of view vary widely between trade unions, but a distinction must be made between being able to make proposals in boards of directors with the necessary means – such a position today is very weak – and always having to fear being parachuted in a place of pseudo-decisions, while everything in terms of relations of force is being played out in the company.

Second point: We find many agencies, experts, who feed on this view of developments. I personally think that we must start thinking on how trade unions can become internally capable of developing this type of training so that directors are up to the task in such decision-making venues.

A third point that was raised by Joël Decaillon: the question of digital technology is hitting the very notion of the company head on. Today, a company is no longer a unity of place and time. We can be employees, stakeholders, producers outside the company; teleworking and striking a balance between working and private life are matters of

very keen interest for employees but also for companies. What will play out in the years to come, is the question of quality of life at work, of living better at work. The quality of life at work is a very powerful lever, even a competition model, an element of competitive differentiation.

Finally, one last point: when we speak about participation in the boards of directors we have to know whether our role as a trade union consists of being an alternative to the decision-making management of a company. The trade union has historically defended the interests of workers against those of the employers. When I see certain documents, including at European level, this idea of strengthening the participation of employees in boards of directors, is also a way of diminishing their capacity for mobilisation and confrontation in certain movements that are taken place.

Up to now, the German model, the co-management merits of which are often vaunted, has not prevented an increase in economic insecurity and redundancy plans.

Caution should be exercised on the capacity to intervene and on the question of the Works Council; perhaps reinforce the industry committees and health and safety committees in France. The French employers are today pursuing a line of thought aimed at merging employee representation institutions, because they consider them an impediment to development. The idea is to manage to neutralise or even replace them by other forms of dialogue, particularly on codes of ethics or codes of good conduct.

In any event, we have the responsibility to avail ourselves of forums for discussions, such as the one that has brought us here, to shore up and nourish the social dialogue and to meet the expectations of workers.

We have a model in France that has proved its worth up to now: the Labour Code, an important base if there ever was one, with the inter-branch, sector and company agreements. This favourable treatment principle has to be preserved, because a company agreement provides greater protection on account of it. We have to vest and defend it to protect workers and strengthen their link with the company.

❖ **Anne-Marie Grozelier**

In a previous seminar, Klaus Mehrens warned us about the fact that the German co-determination system was not looked favourably upon by the European institutions, and that he felt a certain threat against the institution. I had called for solidarity at European level.

❖ **Klaus Mehrens**

I think this is a meaningful discussion. Admittedly, not only has the German model come under pressure from the European Court of Justice, but the principles in general can be considered as an obstacle to free trade or to free competition. The same thing happened in Sweden. There have been cases in the latter country and in Germany where the Court of Justice ruled against the right to strike, but we have nonetheless introduced the right to participation in the decision-making process.

In the same way, someone cited the free trade agreement with the United States, and we have also seen the outcome of the secret negotiations. We have also talked about all the procedures that could constitute an obstacle to free trade compared with the US standards. There is really no worker participation in the US, and works councils have not been a success. They have been an outright failure in Tennessee in particular.

The social standards of the United States are completely different from ours, but we cannot feel safe with our standards; we must restore them because what holds for European countries, is true for Germany as well. I must reproach the German trade unions for not having broached the issues we are discussing at this time. I think that we need common understanding on the principles of worker participation. I do not know what word we want to use for it.

Some fundamental questions have been raised, namely the representation of gender and interests, of decision-making in large companies. I think that there will ultimately be greater pressure from environmental groups, which will influence the decisions taken by companies.

Is there a base or room for these groups? There are common arguments, of course, on questions concerning work or capital that can influence decisions at the level of corporations, companies, plants, etc.

Second point: economic affairs. The largest part of the German model is based on the fact that the works council is respected when it comes to co-determination, but only on social issues – not on economic affairs.

The problem of co-management has become crucial in recent years in Germany. Senior representatives of trade unions are like vice-chairmen on supervisory boards, and we consider them in the same way as the other members of the supervisory board. They enjoy the same benefits: travel expenses, etc., the same conditions and privileges, and in several cases, when we have tried to change these rules, the representatives of trade unions participated in high level decisions. But that can be a problem too. We have never talked about it. We do say that we have to discuss this problem, now and again. We must be honest and confident and must talk about it. It is a serious matter.

There are other questions that we have to discuss because if we manage to (re)establish the principle of participation in the decision-making process, of influencing competition and free trade also, we could have problems.

❖ **Anne-Marie Grozelier**

Jean-Cyril Spinetta will now undertake the difficult task of drawing some conclusions, bearing in mind that the issues we have just discussed will have to be pursued throughout the entire cycle of the biennial. In the end, we have just opened the discussion among us.

CONCLUSIONS OF SESSION N° 2

❖ **Jean-Cyril Spinetta**, President of Lasaire, France

I would first of all like to thank our hosts during these two days, the Bruno Trentin Association and its president, Fulvio Fammoni. I am thinking of all those who have taken part in organising this event, and would like to thank them very much indeed for the quality of their reception on behalf of Lasaire.

This Rome seminar is part of a cycle held in Athens and in Rome today, and will be continued in Madrid in October and finally in Paris, where a more complete summary will have to be drawn up by the participants.

I will follow the example of Hugues Bertrand, and raise more questions than provide answers. In yesterday's meeting, not one of the speakers who dealt with the trend in industrial relations in the crisis in Italy mentioned Europe, which was constantly referred to in the remarks: Europe, which is going through an economic, social and political crisis, as the European elections have shown. In essence, we all know that there is no common endeavour that can succeed with trust and confidence, and that all policy depends on a definition of what is a community of trust and values which brings different people together round a common collective project.

I think that this simple idea underlies the crisis that Europe is going through at this time. Most Europeans thought that Europe was the solution to a variety of problems: Once the trust is broken, Europe now looms as a problem and not as a solution.

We forget that trust is a major element in the undertaking of collective ventures. There is an ongoing discussion in France at this time about the level of taxation. Taxes are not accepted because they are voted by Parliament. They are accepted because taxpayers consider that their taxes are put to good and important use, for themselves and for others, and that one day, this solidarity will continue, and that other people will pay taxes so that they can in turn enjoy a certain number of services.

It has been a long time in fact that Europe has not been able to define guidelines to consolidate or recreate this community of trust: the worst, in my view, was Mrs Thatcher saying: "*I want my money back.*" That is exactly the opposite of trust between stakeholders, as it comes down to: "*I am contributing money, so I expect to get back as much as I put in.*" That undermines the very essence of the European project.

It is a major issue and, what is our meeting about, after all? The question before us is what role the social stakeholders can play and what can and what must they do to restore the necessary trust?

A second point, which many have been expressed in different ways: There is an increasingly broader and more and more common understanding at this time that the European project concerning the single currency is unfinished. André Gauron said clearly as much yesterday: "If this project is left at its current, unfinished state, governments will go constantly through crises and will be doomed to permanent social devaluations." That risks turning into an endless screw.

One of the roles of the social stakeholders to *counter* this economically unfinished structure, is to continue to

point out that cooperative schemes, instruments for cooperation in the economic and social sphere must be tabled constantly. But that requires institutions, a forum where they can be discussed.

In this atmosphere, the description of industrial and labour relations in Italy, Belgium and Europe provided yesterday can be summarised quite simply: The instruments, whether legislative or contractual, have shown resilience, but on constantly defensive positions. If we look at the Netherlands or Belgium, we can say that the dykes are still there, but they are increasingly lower and might soon not be able to stop the flooding – in other words, that determination to seek more and more flexibility from the labour markets and restructuring, without bothering with procedures that lengthen deadlines and increase costs.

This is the source of this strong call from an overwhelming majority in Europe for decentralised bargaining at the company level. Udo Rehfeldt cited the expression: “Wages out of competition.” In point of fact, one of the projects explored at European level by many economic and political officials is for wages to be in competition. We see very different views of the world of work clashing, and we are in a defensive position, albeit at different degrees.

I repeat that my personal feeling is that nothing is done, and we are entering in a vicious circle with an endless screw, if there are no cooperative schemes between different countries and we do not find institutional venues to express ourselves. There are those who say, “Yes, but Spain has made progress” – if we can call that progress – but if France does a little less, it will be obliged to do what is necessary in its trade with Spain to make up its competitiveness deficit. This economic zone can survive only if such cooperative schemes exist and if they provide a forum for stakeholders to express themselves and to get to know each other. I think that we should focus our organisational efforts round this issue.

Hugues Bertrand reminded me that he had written an article with Joël Maurice in which they “dared” put forward the idea of a possible European income policy.

We see that there is a need for these topics on wage policy. There is a need for cooperative schemes, a need for a place where such schemes could play out. It is not a matter of providing indications to be complied with by the different countries, but to flank decisions that will continue to unfold in each of the countries taken separately in a broader vision that would show what such cooperative schemes should be like.

We have an example before our eyes today, probably the result of many factors. We see that things are changing in Germany. Today, the Germans, perhaps – certainly even – under the influence of a European consciousness on wage policy on the part of the trade unions, but also of new political majorities, are in the process of changing their policies which had been in force for an extremely long time.

The solutions are going to be difficult to find because, as we all know, our systems of reference on collective bargaining vary widely between countries, having developed through our different respective histories.

Whether laying greater emphasis on the law, or on the social partners, this diversity and these complexities came notably to the fore when we arrived at the notion of a European minimum wage. For a Frenchman, it is inconceivable that there should be no minimum wage. For an Italian, the very idea of this notion poses problems. In Germany, as our colleague Klaus Mehrens pointed out, given the strength of the agreement to fix wages between the social partners, we are reticent to introduce a minimum wage, but it is worth pointing out that an increasingly more sizeable proportion of workers will be left out of the scope of sector agreements and that consequently a minimum wage will be needed to protect those who have no rights or are excluded from all rights.

Susanna Camusso said the same thing in her presentation: yes, national agreements still persist, but more than 50% of Italian workers fall outside any regulation. The social stakeholders must be capable of putting some major unifying themes on the table: what is a minimum wage? What is precarious status? I do not know, but I think that if the social stakeholders want to play a role in recasting a Europe organised around a community of trust, federating themes will have to be found.

One last point on something that was not said about the company, which occurs even on the sites: up until recently, a company was a common status of all people for all people – whether the site was large or small. Today, it would appear that the company is characterised by a fragmentation of labour groups between extraordinarily different statuses, including on the same sites, such as subcontracting, temporary work, outsourcing, relocation and teleworking. Faced with such a fragmentation, there is undoubtedly a need to consider what company agreements could give it form again.

I would also like to share a personal conviction on the fascinating discussion that took place about whether to

participate in the board of directors. Just as we are all aware that the trade union movement is not the same throughout Europe, to speak of employers as if they were the same everywhere is a luxury we cannot afford. There are basically two conceptions, to simplify matters somewhat. There is a conception of the *shareholding* value with a rapid return on investment, and another conception with a long-term strategic vision for the patient construction of a real community, a collective of companies. These two types of employers exist. The French employers are increasingly torn between these two conceptions: services on the one hand, industry on the other, which is part of a longer-term vision.

The discussion on the right level of representation of employees in the company in order to build this democracy at company level cannot ignore this diversity of employers and their different visions.

It is not a matter of substitution but of complement. If we put employee directors on the boards of directors, it is not to replace other forms of representation of workers (works council, health and safety committee, etc.) and many other bodies where the trade unions and employee representatives can get their voice heard. I think that the discussion pitting the works council against the board of director is based on a false premise which is not at all relevant in my view; there is no need to barter between one or the other.

I am speaking as a former employer. A director, albeit an employee, has considerable rights. He must assert them. The Commercial Code gives him rights that no one can deny, particularly rights to information in all its dimensions. He also has obligations, in France at any rate, that have to do with working in the interest of the company and not only in accordance with a category of persons that would be represented in the company. Are employers, in France or elsewhere, favourable to this representation of employees in the boards of directors? The answer is no. The employers tend to reject, but some are nonetheless in favour. When the employees see the matter in a favourable light, it is connected to the idea of having companies adopt a long-term vision, and this dictatorship of shareholders is then faced with a counterbalance, a different vision through these employee directors.

I am personally in favour of the idea, and I think it works rather well. It is certainly considerable progress. In any event, these directors have rights and, as we all know, boards of directors are bodies where strategic decisions are taken.

The Alstom/General Electric/Siemens discussion would not be the same if there were employee directors on the Alstom board who could put forward a certain number of points of view and embark on this long-term vision. It's a useful counterbalance against the dictatorship of shareholders; and companies, whether in the service or industrial sector, ultimately fall under a long-term vision.

I would add that when it comes to representation of organisations at European level and the powers of works councils and boards of Directors, the Dutch example was cited, as it is very particular. The situation in the Netherlands is very different because the law stipulates whom companies have to address and talk to; the stakeholders (shareholders, employees, etc.) are indicated as a major element of the dialogue that the company has to have. I am thinking in particular of the observation made by Joël Decaillon about health at work. The subject may be gaining currency. Companies have responsibilities and cannot avoid a discussion with the stakeholders.

I basically think that, in these two seminars in Athens and Rome, we must consider the issue we all have to address and which brings us together, namely to draw on the diversity of our personal experiences, and see how we, as social stakeholders, can take part in the European discussion on the social level, which is our purview, through topics we would explore together to affirm this presence in the European discussion. If our meeting in Paris could lead to conclusions on this issue through some opinions shared by all, we will obviously have made considerable progress.