



# ASSOCIATION EUROPEENNE DE L'EXCELLENCE TERRITORIALE

## Contribution by National Social Partners to the Luxembourg Process

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## **Introductory summary of the COPARSOC final report**

### **1. Introduction**

The object of the subsidy agreement VS/2001/0750 between the European Commission and the European Association for Territorial Excellence (EUREXTER), the COPARSOC project, consists of two actions:

- ➔ Dissemination and debate about the compendium of good practice, produced by European social partners;
- ➔ Evaluation of the employment process and NEAPs (National Employment Action Plans) in an experimental European network of associated social partners.

#### **1.1. Dissemination and debate about good practice**

The first action enabled around twenty initiatives in favour of employment and introduced by the social partners of 12 member states to be examined and debated. The cases were presented jointly by representatives of labour and employers in three regional meetings in Rennes, Lyon and Lille, and a national synthesis meeting in front of audiences of French social partners, which debated them.

The synthesis meeting took place in Paris on 28/02/2002 in the presence of representatives of the European Commission, the French Minister of Employment and social affairs attachés from several Embassies of member states of the Union in France.

#### **1.2. Joint evaluation of NEAPs**

The second action started with a meeting held in Paris in June, bringing together the national social partners involved in the Luxembourg process for Germany, France and Spain, which then held the European Council Presidency. Each of these three delegations was charged with networking the action in their own country during a further meeting involving two other member states.

These three networked meetings took place:

- ➔ in Madrid on 17 and 18 October
- ➔ in Paris on 21 and 22 October and
- ➔ in Berlin on 28 and 29 October 2002

#### **1.3. Extension of the project**

The objective of extension to other member states was the subject of three projects prepared by Germany, Spain and Austria; only the third was put forward in the third call for tenders of line B3-4000 at the end of September, and was not selected. The final steering committee meeting of 8 November examined the conditions for developing exchange actions similar to those in the first phase in a number of

member states, and will propose an overall plan to be submitted for the opinion of the European Commission.

## 2. Main lessons of the project

What are the lessons and “discoveries” that the social partners involved in the project experienced, and their policy significance in the conversion of the EES (European Employment Strategy) at a time when the European and world economic situation is confirming that optimism about the return of full employment should be tempered?

### 2.1. Territorialisation of employment policy: a relevant action to be pursued and adapted

The awareness that has now been acquired that employment must be the subject of a European strategy applied essentially at territorial level was the subject of an experimental investigation in all the debates on the case studies presented.

The demographic impact, the dissemination of new forms of work based on flexibility and participation, the diversification of interests and preferences of employees show the necessity of decentralization and a modification in the implementation of labour relations.

On this subject as for others, the summary transposition of European and national methods to the local level would be a mistake: the idea of LEAPs (local employment action plans) limited to a transposition of the procedure devised for the European scale to the local level may appear a good idea, but it is not. There is a discontinuity between the European, national and local levels: the role and positioning of the players are different; steering by the local public authorities will not be sufficient, a broader partnership and a sharing of responsibility aimed at sustainable development, and not just at employment, that is required at this level.

Likewise for the question of employability or development of capabilities of people; a vital social issue, which transcends the sphere of employment policies, and aims at integration into the labour market and society as a whole. This development involves lifelong training, and raises the question of sharing of responsibilities between the players in the social dialogue and the others.

### 2.2. The debate in the social dialogue

As it has developed in the course of the meetings, the method of organisation of the debates is a decisive element in the success of the project:

- *Transnational* exchange about practices by *local players*: the host country does not present its practices, but rather listens to and debates those of the guest countries.
- The exchange on NEAPs and employment policy: the French and the Spanish *study the German documents before the meeting* and open the debate with their questions; the Germans answer the questions *without a prior formal presentation*.
- A cross-cultural approach is acknowledged and assumed in the working method:

- ❖ A sympathetic reception: no summary transposition, no rejection of differences;
- ❖ Questions that first explain the why and the wherefore of the question.

➤ The meeting or the experience of the independence of the social partners in a place without an immediate issue for negotiation or settlement.

It enabled participants to become aware of the enhancement that debate contributes to social dialogue defined by the three complementary dimensions of economic and social regulations:

- European, national or regional law;
- the contract, the outcome of collective bargaining at European, national, regional, inter-professional or sector level;
- tripartite European or national consultation, where it exists, and in the form specific to each member state.

How to strike the balance between these dimensions and between the application levels?

- COPARSOC is an example of debate without any regulation at stake, but which can enhance each of the three dimensions, without interfering in decision-making processes.
- The transnational debate between the regional or national social partners could be a new democratic approach, a transposition for the social partners of the Open Coordination Method between the member states and ...
- the Luxembourg process, could provide it with its first application with a European dimension.

### **2.3. The diversity of models of labour relations in member states: a force for proposition in the European employment strategy**

The member states' view of the Luxembourg strategy is organised according to the stages into which it breaks down at European level: guidelines, NEAPs, joint report, Commission recommendations.

In the meetings for exchanges on their respective NEAPs, the social partners sought to understand the diversity of national outlook in relation to the Luxembourg strategy, to identify the convergences and specific features of each member state. This analysis was carried out based on the examination of national action plans and collective agreements, and in the light of the debates on national social policy.

Understanding the diversity of social culture and industrial relations in each country is another way of looking at the European employment strategy. The meetings in the second stage enabled the social partners to experiment with the appeal of this approach for reciprocal information, improved cross-cultural understanding and to increase the power of their proposals for the future of the Luxembourg strategy on the basis of the networked endeavours of national partners.

It is, after all, returning to what motivated the Val-Duchesse dialogue.

### **3. Extension of the spirit of the declaration of Laeken to national social partners in a European network**

In the declaration of Laeken, the European inter-professional social partners defined their specific role in the construction of Europe, the distinction to be made between bipartite social dialogue and tripartite consultation, the need to link tripartite consultation more effectively to the various aspects of the Lisbon strategy, their will to develop a work programme for a more autonomous social dialogue.

The common work programme finalised by the Social Dialogue Committee meeting of 7 November 2002 opens up the possibility of national social partners contributing to the implementation of the guidelines in the member states.

The COPARSOC project has shown the potential benefits of networking the national and local social partners to contribute to improving the European employment strategy, and to encourage “offensive” cooperation between employees and employers.

With this in mind, the final report proposes that the European social partners and the Commission should examine the conditions for extension of the transnational debate on practices in favour of employment by the regional and local social partners as trialled by the project (Section 2.2).

It also proposes to introduce into the Luxembourg process a multilateral evaluation meeting of NEAPs by the national social partners of the member states of the Union. This meeting would be scheduled in parallel with that of the Ministers in charge of employment for multilateral monitoring (Section 2.3). The final steering committee meeting examined the arrangements to be proposed for:

→ Dissemination of results at national or European level:

The interest shown by the European Commission in the COPARSOC project, beyond its financing, was a real encouragement; the reference to the results in the forthcoming communication on the EES envisaged by DG Employment was welcomed; this introductory summary is intended, prior to the final report, to facilitate that work.

→ Referral to the European Social Dialogue Committee:

The members of the COPARSOC project steering committee, enlarged to include German, Spanish and Italian representatives, wish for the proposals adopted to be debated in a European Social Dialogue Committee in early 2003.

## **RECORD OF ACTION 1 OF THE COPARSOC PROJECT (November 2001- February 2002)**

This minute initially records (1.) the context in which the COPARSOC project developed; it goes on (2.) to link the presentation of the “good practices” to the guidelines (I to IV) and the main themes that emerged from the debates (V); finally (3.), it highlights the first spin-off of the COPARSOC and the renewed ambition of the project.

### **4. The COPARSOC project: strengthening the dynamism of the EES.**

#### **4.1. Involving the players in the Luxembourg process at every level ...**

Launched in 1997, the European Employment Strategy (EES) gave rise to a new dynamic in employment policy. On the one hand, each of the member countries of the European signed up to joint policy directions (the Guidelines) with short-term deadlines, and on the other hand, “exchanges of best practice” between the governments of member states (peer review) and “multilateral monitoring of NEAPs” (National Employment Action Plans) proved beneficial to all of them (thanks to the dissemination of new ideas developed in different contexts). So, setting a medium-term agenda and the peer review proved to be innovative elements favourable to the emergence of a dynamic of convergence in employment policies.

Right from the launch of this process, the European social partners wanted to contribute to this dynamic of employment, both at European and national level. The ETUC, UNICE/UEAPME and CEEP decided to examine together the initiatives taken by the social partners in the various member countries. The objective was to identify the factors for success in the actions carried out by the social partners in particular contexts.

That was how the European social partners were led to draw up a Compendium of Good Practice. This Compendium was handed over in June 2000 to the Portuguese Presidency as a contribution by the European social partners to the EES. Since then, this publication has not been the subject of any debate, or even a real consensus, each of the social partners having selected the practices which they found best, from the viewpoint of their own interests.

Despite the dynamism of the EES at the level of the various governments, and despite the attempt by the European social partners to contribute to the dynamism of this process, it had to be observed that a whole segment of players primarily concerned by employment issues, i.e. the players in the field, the social partners in

the member states, at national<sup>1</sup>, regional and local level, had been left on the margins of this process. As emphasised by the Employment Delegate of the French Ministry of Employment and Solidarity (MES), “only a happy few are aware of the process of convergence”.

The deeply-held conviction of the initiators of the COPARSOC project is that the EES would become more dynamic if all the players involved in employment issues were at least systematically informed and made aware of the process. That is what the European Parliament emphasised in its resolution on the Commission communication entitled “Strengthening the local dimension of the European Employment Strategy<sup>2</sup>: “Member States and Community institutions should play a supportive role, notably by: being more accessible to local actors; ensuring [...] more coherent use of existing policies and instruments; promoting capitalisation, evaluation, and the exchange of best practices and experience”. This viewpoint is reinforced by the *White Paper on Governance*, which emphasises the necessity of more powerful interaction between the European institutions, national governments, regional and local authorities and the social partners (European, national, regional or local), an integral part of civil society, in accordance with the principles of openness, participation, accountability, efficiency and coherence. The need to integrate new players into the EES was finally introduced into the guidelines for 2001<sup>3</sup>:

All players at regional and local level, including the social partners, must be mobilised to implement the European employment strategy, by identifying local job creation potential and strengthening partnerships with that aim in mind”.

The COPARSOC project aims at leading exchanges of experience acquired in various countries by social partners who have taken up the challenge of employment, and learning the lessons, particularly with regard to relevant linkages between the various levels of regulation on employment (local, regional, national, European) but also between institutional players and emerging players (civil societies, but also business, etc.).

#### **4.2. ... by using the “open method of coordination”.**

As we have already mentioned, comparative analysis (during the peer reviews) plays a prime role in the dynamic of the EES process. This method consists of identifying the best performance on the labour market in the European Union and highlighting the best practices for each aspect of the EES.

The COPARSOC project draws on the peer review method for the exchange of good practices and multilateral monitoring for NEAPs, with the aim of disseminating these at various levels. COPARSOC implements this procedure both with players in the field, the social partners at regional and local level (action 1) and the national social partners (action 2).

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<sup>1</sup> It should be borne in mind that the social partners at national level are involved to a greater or lesser extent in the NEAPs depending on the member countries concerned.

<sup>2</sup> COM(2001) 629 final; 6/11/2001

<sup>3</sup> European Council: 13659/00 ; SOC 448 ECOFIN 332 FISC 199 : LD 11

For players in the field – regional or local – (action 1, Nov. 2001 – Feb. 2002), it was a matter of making them aware at **transnational** level about **concrete** case studies and debating the practices of players in the field in other countries of the Union, who are having to contend with the same challenges facing local players in France.

For the national social partners (Action 2, June 2002 – November 2002), it will be a matter of debating the governmental texts (NEAPs) and the major features of employment policy in the member states, on the multilateral monitoring model: each meeting will be organised and be the subject of cross-analysis by the participating countries, supported by experts from the Dublin Foundation.

The two actions are designed to be complementary, with the aim of developing a synergy with a view to achieving a collective understanding of European social issues.

This synergy is sought by combining in an explicit way a horizontal and vertical dissemination. In addition to the **horizontal dissemination** (transnational exchanges of concrete practices between European local players, debate between national social partners of various member countries), there is a **vertical dissemination**, with local players being made aware of the European guidelines as well as a process of devising the NEAPs. The vertical dissemination should be understood in both its ascending and descending dimensions. In fact, in addition to the descending aspect (dissemination of guidelines), there is an ascending aspect, i.e. feeding the experience in the field upwards towards the centre, so that these are better coordinated and taken into account more effectively in the drawing-up of national and European employment policy.

This is a matter of promoting an improved synergy between the many actions carried out at local level, the employment guidelines and the national employment action plans.

## 5. Analysis of content

Action 1 of the COPARSOC project took place through four meetings from November 2001 to February 2002, three of which were regional and one national.

For the sake of clarity, each of the practices will be presented and commented in relation to a single pillar. However, it is clear that the case studies which were the subject of the exchanges and debate during the meetings of the COPARSOC project, by their very richness, often relate to several pillars.

We must emphasise, moreover, that the issue of the pillar “developing entrepreneurship”, because it is presented in a transverse way in several of the case studies, will only be dealt with specifically very briefly.

It should be noted that the development of guidelines since 1997 led us to introduce the territorial theme which is the subject of a chapter in our presentation.

Each of the regional meetings was mainly concentrated on one to two of the three pillars represented. The meeting in Rennes dealt with an eminently territorial dimension. The one in Lyon focused on the pillars “adaptability of companies and

employees” and “employability”: it gave rise to a more “traditional” exploration (with regard to the territorial approach) on labour relations within the company. The Lille meeting mainly dealt with “the integration of excluded audiences”.

Although it was also the forum for exchanges of experience, the Paris meeting was mainly the place for vertical “balancing” of the various levels where employment policy is made (is conceived, is implemented): the Employment Ministry, the European Commission, the national social partners and local players.

The aim of all the **practices presented** was to deal with issues relating to employment. However, some had been completed, and had been the subject of an evaluation ex-post, while others were still in the launch phase.

The presenters therefore emphasised very different elements (the method devised, the objective pursued, the result achieved).

### **5.1. The progress of the meetings: leading an intercultural exchange on employment issues.**

The regional meetings were an opportunity to listen both sympathetically and critically. Obviously, the reception was sympathetic to the extent that the debates did not have any immediate outcome at stake (the meetings were not negotiations) but also – as was pointed out by one representative of the CGT union – because the subject of the debates was to look at case studies concerning employment. And any pragmatic approach reduces the risks of abstract ideological conflicts. In addition, the French participants, who were only there to listen, rather than to present the “good practices”, were all ears and very open to discussion. The appeal for them was to inform themselves, but in more concrete terms to “feel that they were not all alone in dealing the subjects that they were constantly facing” (...); to know that other people also had to contend with similar situations, and that solutions could be different or similar” (CGT participant). This exchange enabled participants either to “give ideas” or confirm and consolidate procedures and practices.

The quality of the debate reflected the favourable conditions of receptiveness of the audience, and the determination of all present to emphasise the points of agreement rather than the points of disagreement.

The transnational context also required a degree of transparency in the exchanges. As a CFTC representative pointed out, the issue in these debates was to enable the participants “to be in a situation to compare situations that were *more or less* comparable, by adopting a vocabulary and an analytical grid that were *more or less* shared”. A “cultural balancing” process had been necessary. This was made possible, in particular, through the protocol for presenting the case and the chosen “method of debate”. On the one hand, an “empathetic”, “insider’s” reception was made possible by requiring each speaker from the guest EU countries to specify the socio-economic and institutional context of their practice. On the other hand, each participant in the room had to highlight the motivation for his/her questions, to bring to light the underlying institutional, political or cultural presuppositions. In concrete terms too, so that the non-French audience could share the experiences to which the French participants referred when questioning the case studies presented.

So that the information is disseminated, it needs to be *well* disseminated, i.e. there must be the foundations of good understanding.

## **5.2. Territory: a relevant level of coordination**

The COPARSOC experiment was in the image of the development of the guidelines since the production of the compendium of good practices by the European social partners, by accepting and dealing with cases with the territory as their coordination framework. When producing the compendium, a number of practices were not chosen because they did not directly deal with the issue of employment. However, it is appearing increasingly clearly that employment issues can only be understood today in a **transverse, integrated way**.

### 5.2.1. Territory: a transverse approach.

#### 5.2.1.1. The territory contributes definite value added when it comes to reconciling family life and working life.

How, for example, can one fail to recognise that recommending a percentage of working women of 67% involves not only re-thinking the supply of child-minding services, but also school hours, opening hours of shops and various services? However, the coordination of these various activities seems to be able to resolve itself in a relevant way at local level, where it is closest to the preferences of people.

An example which has even gone beyond the transferability stage, and which has been an inspiration for many towns in France and in Europe is that of time offices.

#### *Time-shifting policies of the municipality of Bolzano – mobility pact:*

*The mobility pact aims to resolve the problems of city traffic (traffic jams and pollution) and in general, to improve the **quality of life** of the people of Bolzano – particularly working women – by a **coordinated change in the working hours of companies and shops**. The local authority played a decisive role in the emergence of a partnership (employers, employees, shops, etc.) in the coordination of existing actions (car sharing) as well as in establishing infrastructures ensuring the viability of the pact (improvement of public transport, crèches, etc.).*

The time-shifting plan carried out in Bolzano illustrates the appeal of dealing with certain issues from a *territorial, integrated and transverse* way. To set up a new architecture of working times in the city of Bolzano, the municipality relied on a **coordinated modification** of the working hours of the various companies situated in the city's business district, then in a second stage, the various shops and administrations of the city (schools, post offices, etc.). First of all, it is necessary to reach an agreement between the businesses which play a decisive role in setting working hours in southern Bolzano.

The method adopted was to involve companies which would have been affected by the changes in working hours. The municipality proposed to start negotiations with businesses and other interested parties (associations of parents of schoolchildren, teachers, shopkeepers, etc.), in order to bring about a shared awareness of daily mobility problems, which affect employees, customers, businesses and citizens, and to promote a change of mentality within businesses in favour of sustainable mobility and a better quality of life.

Time-shifting policies also have the aim of enabling innovative policies at territorial level, thanks to the emergence of a "collective intelligence".

The observation of the development of time-shifting policies in Europe highlights the risk of restricting activities to a strategy by municipal public authorities, and not involving the businesses that manage working time and how it is organised. This approach will achieve its full effectiveness for employment and development when, as in the Bolzano example, it embraces the working hours and the players concerned (employers and unions) in a partnership with local authorities.

### **5.2.1.2. Territory, employment and sustainable development**

At the Copenhagen Summit (1993), Jacques Delors emphasised the fact that “only a new development model will enable more jobs to be created”.

Over the years, the concept of “sustainable development” has proven to be just such a new development model. At the heart of the issues in the Rio Summit in 1992, then defined in the report of the Brundtland Commission as “development that satisfies our current needs, while preserving the ability of future generations to satisfy theirs”, the “sustainable development” concept is appealing because it combines, raises and above all, links the central issues facing our societies today: what compromises are possible between the often divergent economic, social and environmental interests? What trade-offs can there be between the medium and the long-term (between present and future generations)?

There are good reasons for thinking that it is essentially on a territorial level that the essential linkages between the economic, social and environmental dimensions of sustainable development can be built, democratically and efficiently. From many viewpoints, the territory seems to be a “building block” for sustainable development.

Indeed, it is at territorial level that development problems are perceived most clearly. A large number of experts consider that the decisive elements for sustainable development have more to do with town planning issues (out-of-town developments, the explosion in mobility, urban segregation, inequalities between territories, etc.) than with industry or energy. In addition, the issues of sustainable development are, we should remember, eminently transverse (economic, social and environmental) and the territory seems to be the place for solving transverse issues. It is the place where democratic and effective partnerships can emerge (see above).

In response to questions that are as much socio-economic (reduction of unemployment, recognition of new growth factors) as environmental, the identification of new “sources of employment” is one of the main lines of the sustainable development strategy.

The practice of Rural Parks developed in Asturias is an example of the search for new sources of employment; a search made possible by the recognition of other growth factors than the traditional historic determinants.

#### ***Rural parks in Asturias***

*A project made possible by a change in approach to the factors of growth (after the failure of the conversion policies of the 'eighties: transition from the development of a region dependent on mining to development based on rural, cultural and green tourism with a view to **keeping the population in the area.** **Broad partnership, consultation** thanks to the “shared determination to manage European resources intelligently”.*

The rural parks initiative was taken in a context of failure of adjustment policies and shows particularly well the new role incumbent on local authorities, i.e. to define employment strategies by exploiting the possibilities offered by local job creation to

the full. The local authority acts as a catalyst for economic and social development, by creating new forms of participation between the public sector, the private sector and associations, in order to develop new integrated strategies.

The objective for the project was to prevent the acceleration of the desertification of the region and particularly the exodus of young people. The park project in the rural Huerna valley had the objective of restoring the dynamism of the area, by relying on the richness of the natural setting, and the architectural heritage which had hardly been damaged by the regional mining industry, and non-intensive agriculture, as well as having a good road and rail infrastructure. This project sought to break with the firmly-rooted representation according to which jobs for all relied entirely on industry: other resources – favourable to sustainable development – could be exploited.

The generalisation of this type of initiative does pose the question, however, of training members of the local administration to be able to carry out their new tasks: determining local resources favourable to employment, ensure that a local partnership emerges for projects relying on these resources, and ensuring the viability of the partnership until the project is completed.

This example, among others shows that it is not possible to dissociate job creation from sustainable development at local level.

## 5.2.2. Practices at local level:

### 5.2.2.1. *Actions per project, run by partnerships.*

Partnership is desirable from a dual perspective: a logic of efficiency and a logic of legitimacy. The prime objective of partnership is to enable a **consensus to emerge about the resources of a territory and its strategy** to exploit them with a view, in particular, to creating jobs. According to the expert from the Spanish delegation, the concepts of consensus, dialogue and participation are not ideological concepts; they are practical concepts, oriented towards **legitimate** and **efficient** action (definition through consensus of a broad range of representatives of the territory gives the project a democratic character).

The emergency of a **consensus** takes time: but that is the price to be paid for greater **efficiency** of the action. As pointed out by the expert from the Irish delegation, “the broader the participation, the more difficult it is, but the rewards are greater”. Recognising the necessity for the broadest possible participation also means recognising that the question of employment cannot be settled by businesses alone, nor by administrations alone. The employment delegate from the MES said it again at the Paris meeting: “no player acting alone has the solution: **solutions only come from cooperation.**”

Cooperation leads to efficient solutions: knowing the territory where the project will be implemented, the members of the partnership are able to identify the potential perverse effects (i.e. unforeseen negative effects) which the action may cause.

**The emergence of a consensus** on what are the resource of a territory, on the strategy to adopt to exploit them, as well as the relevant players to run the action can only happen through “**dialogue**” between the widest possible range of players. The

dialogue cannot be restricted to a mere exchange of information. For the dialogue to lead to action, an agenda needs to be drawn up in a consensual manner.

A representative of the Catania project told the French audience of the need to “run” the partnership. For the Southern Catania project, the discussions within consultative units were followed up by minutes assigning tasks to each of the participants. An agenda was drawn up (content and timetable) for the implementation of the project. Genuine “territorial leadership” was set up, where each participant was given a role and a mission for a specified period. A “Round Table” bringing together the players in the project can lead to concrete action. Far from being a place of negotiation (where each participant defends his/her own interests), a “Round Table” is a forum where projects are devised jointly, creating a “Social Good” for the whole territory. In the opinion of a representative of small and medium-sized enterprises in Catania, the only way to reach a consensus is that each participant has to take a step back from his/her own interests, to be able to decide what is in the “common interest” of the territory.

#### *Development of Southern Catania*

*The development of Southern Catania is part of a project of territorial excellence. It is based on a dynamic **social partnership** open to a very broad range of economic and social players in the region.*

*The various players were convened to regular **Round Tables** by the municipal council. It is at these Round Tables that the territorial projects (see below) was defined in a democratic and efficient manner. In addition, the running of the partnership was made possible by the implementation of a precise **agenda** that provided for a specific role for each actor.*

*The territorial development of Southern Catania is based on the **building of heavy infrastructure** (airport, roads, etc.) and lighter infrastructures intended to improve quality of life (enhancements to the beach, etc.). The objective is, among other things, to attract to Catania many firms keen to provide “quality of life” for their employees. That gamble has already paid off in part, with the arrival of a subsidiary of a large Korean electronics firm.*

The partnerships carried out in Asturias, Bolzano or Catania aroused keen interest and raised a number of questions. *How does the partnership emerge? What is the liability of members of the partnership if the project fails? What financial resources are at their disposal? And who implements the projects defined in consultation?*

As far as the territorial projects of Bolzano and Catania are concerned, the **municipal authority** played a key role in the emergence of a partnership in the context of a project. This central role by the municipal authority in the creation of

projects of a territorial dimension seems to be increasingly widely recognised<sup>4</sup>. Its special position enables it to determine the issues at stake for the territory. And this is what is required to stimulate partnerships to define projects, in order to create a “common good” for the territory. So, civil society – which capable of carrying projects forward – does not exist in isolation, but always within a sphere of action, most often proposed by the local authority.

The responsibility for the failure of an action lies, in the final analysis, with the local authority. But as the Mayor of Pola de Lena (Asturias) was at pains to point out, what binds a partnership together is the motivation of each of the participants to make the project a success.

It is the participants in the Round Table that defined the project who are expected to implement it. That was a point that particularly interested the French participants in the Rennes meeting. Some of them were members of the *Conseil de développement de la communauté urbaine de Nantes (Development Board for the Urban Community of Nantes)* which was “only a consultative forum”. Therefore, the members of that Board had the feeling that they had lost the ownership of their proposals, not knowing very much about what would actually happen with the proposals they made. On this point, the Mayor of Lena was very clear: “to manage a project, the players in the project must be involved in a management committee”.

Although its importance is paramount for creating a partnership (between the public and private sectors, and associations), the local authority is still a player like any other in the partnership, in the sense that it cannot impose “its” project on the participants.

This function – which seems to be new – devolved on the local authority to foster the emergence of partnerships, obviously raises the question of the training of local authority employees for organising partnerships, identifying the issues, etc. Local authorities are the first administrative level to be facing the need for modernisation in order to deal with these new challenges.

The exchanges enabled the key question of the “relevant territory” for the action in favour of employment and development to be raised: should one adopt an institutional division of the territory (employment catchment area, town, country, region, etc.) or look for a project territory that corresponds to the partners involved? A helpful answer came from the procedure used in Asturias: the territorial authorities encouraged partnership without introducing any constraints of institutional territory; when the project was formalised, the local authorities discussed it, and in the event of agreement, define a group of local authorities that would join forces to underwrite the action and assume public liability for the project.

#### **5.2.2.2. An emerging player at local level in the fight against social exclusion: the Public Employment Service**

Many local experiments (cf. communication about local action) show that there are attempts by the public employment services (particularly at local level) aimed at

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<sup>4</sup> En témoignent les différentes communications de la Commission, notamment « Agir au niveau local » et « Renforcer la dimension locale de la stratégie européenne pour l'emploi » [COM (2001) 629 final ; 6/11/2001] déjà citée ci-dessus....

bringing their services closer to those who need them, by associating assistance to jobseekers and responses to wider social needs, such as housing, health, culture or education. These initiatives contribute to the idea that “social cohesion” cannot be just reduced to the economic dimension, but that it is made possible thanks to a number of factors.

*An example of partnership between local authority and public employment service for an integrated approach to the battle against social exclusion.*

**Belgian case study: [TREMP LIN 2000 ASBLI- Training – Employment - Housing](#)**

*The project developed jointly by the local mission and the local authority of Tournai with a view to curbing the phenomenon of social exclusion relies on a simple idea: training can lead to employment, and the possession of a stable home stabilises the trainee in principle in his/her family and working life”. Which gave rise to the three-pronged strategy of Tremplin 2000: training, access to housing, employment.*

*The original feature of the Tremplin 2000 project was to enable trainees to learn a job on life-size projects. The local authority provided the charity with public buildings in need of generally very expensive renovation, and the trainees are the prime beneficiaries of the action, because they can rent the housing that they have renovated themselves, paying a rent that is proportional to their income.*

The Tremplin 2000 method consists of ensuring that the interests of different players in the region converge, with the aim of curbing social exclusion. On the one hand, the local authority has to deal with pauperisation of a whole layer of the population, and particularly young people; on the other hand, construction firms complain that young people are not interested in jobs in the building industry. What is special about the project is that it operates on several fronts: in the short and medium-term, re-socialising excluded groups of the population; in the longer term, enabling certain careers to survive in the territory, by training qualified labour. The important thing for the project designers is to get the excluded populations back to work, whatever kind of work it is.

However, the originators of the project recognised the inadequacy of the resources at their disposal. The budget allocations from Europe or the government were, in the eyes of the project’s originators, pump-priming funds. According to the representative of the local mission in Tournai, several levels of training should be envisaged in order to achieve successful integration.

The French participants were very interested in this project oriented towards social inclusion: they were curious to know how the TREMP LIN 2000 project was able to fight against the phenomenon of the benefits trap. The answer was clear: the trainees retained their unemployment benefit.

One of the limits in the continuation of the project was set by the social partners in the Tournai region: the project must not create unfair competition for small businesses.

### **5.3. Employability**

The practices that we classify under the “employability” heading are both at company level and at territory level. The players behind these actions are employers, or public employment services, or local authorities, or representatives of trade union organisations, jointly or in a unilateral way. These actions are all carried out in partnership, based on a consensus.

### 5.3.1. Fighting long-term unemployment

#### 5.3.1.1. Warning systems to prevent crises

Nowadays, it is generally accepted that a pro-active approach is of the utmost importance in the fight against unemployment, and particularly in the fight against long-term unemployment.

From this viewpoint, anticipating crisis situations, as well as setting up early and fast intervention systems appear to be required to curb long-term unemployment. In the Austrian example (see below), the system is very much territory-based: it relies on a network of businesses and associations which aim to trigger the warning system in good time.

***Austria:** AK is intended as an **active policy** instrument to fight unemployment.*

*The idea is to **prevent**, and **detect** in good time a **crisis** within a company with a view to avoiding long-term unemployment.*

*- **The rapid intervention instruments** are relatively conventional (restructuring of the organisation and the company, additional training for those dismissed ...)*

*- The detection of the emergence of a crisis situation is allowed, thanks to the establishment of a **cooperation network between companies (SMEs) and social partners**. It is the network that is the innovation.*

“Detection in good time” is a very delicate matter. The network includes players in a situation of “**information asymmetry**”. It is not always in the interest of employers in difficulty to reveal their awkward situation to other businesses or trade union representatives. So it is more often by means of “word of mouth” than a deliberate policy of transparency by employers that make activation of the warning system possible.

The initiative poses the more general question of anticipating changes in the labour market. We shall deal with this question in the transverse themes.

### **5.3.1.2. Turning transitional periods into gateways into employment**

One of the aspects of the social cohesion policy lies in increasing the security of careers, particularly by offering training options (basic and additional) to people suffering the consequences of market failures.

**Austria:** A Labour Foundation is set up when a company has to deal with a crisis, a threat of bankruptcy or structural difficulties accompanied by dismissals.

*The Labour Foundation takes a succession of measures. The person affected is helped to define a career plan (the individual's action plan must be approved by the AMS (public employment service in Austria) and a representative of the Labour Foundation. This action plan provides for training (basic/additional), or support in looking for a job, or finally, support for the individual to set up his/her own business. Special assistance is provided to people over 50 years old.*

The “Labour Foundations” play a vital role in making careers more secure. They enable dismissed employees to remain “integrated” into the labour market during their transitional period. Labour Foundations offer the beneficiaries:

- the psychological support necessary to overcome the traumatism of being laid off: during the compulsory stage of career renewal (which lasts six weeks), the beneficiary draws up a skills inventory and outlines new prospects with the assistance of coaches. The psychological support is particularly important for the last stage of looking for a job;
- financial support: in addition to their unemployment benefit, the beneficiaries receive a financial top-up benefit. (Labour Foundations are financed by companies, the public employment service, the regions and the ESF). The financial support is vital for setting up a business);
- the possibility of maintaining and diversifying skills: through basic or additional training.

70% of the participants in “Labour Foundations” get back into the labour market.

### **5.3.2. Promotion of “active policies” against unemployment.**

It is increasingly recognised that lasting integration of marginalised groups of the population from the labour market viewpoint requires actions to make the unemployed person (young or long-term unemployed person) the key player in his/her own reintegration: he/she must be the co-builder, the co-player in a career plan.

This approach is typified by actions, where the target population is strongly encouraged to adopt an active approach to finding a job, actions that form a compelling context for rejoining the world of work (see below).

### **5.3.2.1. “Activation” of young people**

Activation policies need the support of a broad partnership, particularly in cultural contexts where the target populations receive little encouragement to join the labour market.

For example, this is the case in Greece, where young people are supported financially by their family until the age of 30-35.

One of the principles of getting young people to work (which is also found in getting long-term unemployed people back to work) consists of establishing mediation between these young people and the world of work. The innovation lies in the fact that the mediators are drawn from the target population. This has a dual interest: on the one hand, the mediators are close to the concerns of the target population (and therefore better able to understand and guide them), and on the other hand, the mediators are role models (they show that it is possible to “make it”).

*Greek case study: a network of regional aid for the young unemployed: in a **cultural context** where young unemployed people are supported by their family up to 30 or 35 years of age, it was necessary to set up a **regional network** (businesses, employment bureaux, young people) where the **young unemployed** are encouraged to be **fully-fledged players** in finding their own job.*

*After having analysed the regional labour market, the employment services recruited 16 young unemployed people. They trained them for 6 weeks, so that in turn, they could help young unemployed people in their search for a job (CV, additional training, skills assessment, business start-up, etc.) and created partnerships with companies. Six information offices were set up for this purpose.*

*3 000 young people contacted these offices, and 1500 participated “actively”, 260 were recruited or set up their own business.*

### **5.3.2.2. Restoring long-term unemployed people to the labour market.**

One of the innovative characteristics of the Swedish AHA! Project is to enable long-term unemployed people, trained for this purpose, to help other long-term unemployed people to rejoin the labour market. The “activation” of the unemployed involves the observation that others have been able to “make it” (the unemployed

people turned mediators). In addition, the mediators are well aware of the difficulties usually facing the unemployed (psychological, financial, etc.), and are expected to provide support that is *suited* to the needs of the target audience.

*Swedish case study: [the Aha! project](#)*

*Principle: 4 unemployed members of a union are selected and trained by a member of the union and representative of the employment service to coach 40 other unemployed people each as they look for a job, for a period of 12 weeks. These 40 unemployed people are chosen at random from among job seekers and **must take part** in the project.*

*This project was developed jointly by the trade unions and the national employment service.*

*From 1996 to 2000, 25 000 people were affected by this project. 85% of people found a job or continued in training.*

The AHA! Project did raise two types of question, however: the first related to the organisation of trade unions in Sweden, and the second related to the philosophy of the activation methods.

Some French participants were surprised by the fact that the recruitment of the unemployed mediators took place from unemployed trade union members. Was such a practice not contrary to the principle of non-discrimination between employees laid down in the guidelines?

Furthermore, the “compulsory” character of the return to work seems to have raised a few eyebrows. The underlying questions were many: is a policy of “expert help” compatible with maintaining social cohesion? To what extent do “activation” policies respect the rights of individuals to choose their job?

By way of an answer, the Swedish representatives emphasised that, in a socio-cultural context where employees are more than 80% unionised, the selection of mediators from among unemployed union members was not particularly discriminatory. In addition, this selection was based on the idea that the unemployed union members were more skilled than others at working in collaboration with the project tutors who are mostly unionists.

The “compulsory” character of the return to work should be understood as a contract made between society as a whole and the unemployed individual: a helping hand is held out to the individual, and it is up to him/her to take the help.

### 5.3.3. Integration of ethnic minorities

The integration of ethnic minorities into the labour market constitutes one of the prime factors for social cohesion. With low levels of education, and sometimes a poor command of the language of their adopted country, these adult populations combine many disadvantages in terms of social competences.

*Netherlands: Samen Werken*

*In anticipation of a law that was due to impose a quota on businesses for the number of immigrant workers they employ (this group is particularly affected by unemployment: 12% compared with the national average of 2%), the national employers' federation set up a **partnership** with the **employment service, local authorities** as well as **trade unions** (Polder model) to offer **training courses** (often "basic") to immigrants within the company.*

The success of the Samen Werken project is partly due to a very favourable context on the Dutch labour market: the Dutch employees of the company gave the experiment a favourable reception, since the posts occupied by employees from ethnic minorities during their training were under-qualified posts which they would not accept themselves. It is not certain that it would have been applicable in a context of high levels of unemployment.

It is also in a national context of high levels of employment and low unemployment that the Danish authorities made greater efforts to integrate immigrant populations into the Danish labour market, both for economic reasons (increasing the levels of employment) and for questions of **social cohesion**.

In fact, the rate of unemployment among immigrant populations is four times as high as the national unemployment rate, and individuals from ethnic minorities have very little social mobility, which generates social frustrations which do nothing to encourage social cohesion. While the immigrant population represents 7.1% of the Danish population, individuals from immigrant populations only represent 1.7% of public employees. In addition, immigrants generally have poor educational qualifications, and occupy unskilled and often temporary posts.

*Danish project: A labour market favourable to inclusion: ethnic minorities and the labour market*

*From a national study entitled “ethnic equality in local authorities – between personnel policy and integration”, the Danish authorities developed a strategy aimed at encouraging the “inclusion” of ethnic minorities – as this project fits into a broader policy of inclusion of all groups “excluded” from the labour market (people aged over 50, the disabled).*

*The project relies on the mobilisation of all goodwill to meet the challenges of inclusion. It is a matter of creating a synergy between all levels of decision-making and action: the legislative level, collective agreements between social partners and projects by associations. The law allows, among other things, reductions in social security contributions for jobs intended for people “excluded” from the labour market, financial support is granted to projects by associations, etc.*

Some French participants emphasised the difficulty involved in undertaking this kind of initiative in France: for socio-cultural reasons, it appears that it would be difficult to take the immigrant population as the “target audience” for employment policies.

#### 5.4. Developing a spirit of enterprise

##### *Development of a spirit of enterprise within a region*

The Irish participants emphasised the importance of a favourable tax environment to attract businesses into a region. The influx of companies from the NICT sector in recent years in Ireland has convinced them of this.

Tax breaks are not everything, however. Without going into debates about theories of fiscal federalism, it is becoming increasingly common to claim that the reasons why businesses set up in one territory or another do not boil down to taxation. The quality of infrastructures, and more broadly, a favourable environment for medium to long-term development of a company’s business are taken into account in the decision to set up a business in one place rather than another.

It is exactly the creation of that environment favourable to long-term development of businesses that is the aim of the Foodnet project initiated by the Regional Council (this project is part of the Shannon Valley Development Project).

##### *Development of the Shannon Valley –Foodnet project.*

*The Shannon Valley Development Project is based on the evaluation of the prospects, establishment of clear action programmes, and the participation of local players.*

*The evaluation of the prospects led in particular to the identification of a “niche” market in the food industry, i.e. “food for pleasure” (which has led to the development of the segments “**organic meat**”, “**quality meat**”). **Foodnet** did not stop at revealing a previously unidentified demand: it also acted to develop this need “culturally”, to consolidate the foundations of this new market: “health eating” courses were given in*

*the schools of the region, as well as high-profile communication to parents, etc.*

*One year after the product launch, 12 catering companies have been set up with a sustainable future, thanks to sponsorship linked to **partnership**.*

Another case presented by the Irish shows that the development of the spirit of enterprise can only be understood in the context of an overall regional strategy.

*Strategy for development of southern County Tipperary*

*“Agenda 21” for the development of County Tipperary relies on a figure-of-8 strategy (from the project to evaluation) and on a very broad partnership.*

*Its prime aim is to curb the exodus from the countryside by stimulating initiatives (creation of innovative companies) using the bottom-up method, networking and partnership.*

## 5.5. Adaptability

The reorganisation of work within companies is an important issue, and for companies (organisation of work has consequences for productivity, and therefore the profitability of the company), and for employees (it affects their working conditions, work/life balance, etc.).

That is why the Commission emphasises particularly the necessity to develop social dialogue within the company to successfully modernise the organisation of work. Effective reform of an issue that affects the vital interests of both employers and employees cannot take place nowadays without a minimum of consensus between the social partners and employees.

This is precisely the idea underlying guideline No. 13:

- The social partners are invited to negotiate and implement at all appropriate levels agreements to modernise the organisation of work, including flexible working arrangements, with the aim of making undertakings productive, competitive and adaptable to industrial change, achieving the required balance between flexibility and security, and increasing the quality of jobs. Subjects to be covered may, for example include the expression of working time as an annual figure, the reduction of working hours, the reduction of overtime, the development of part-time working, lifelong training and access to career breaks.

### - “Managing” the introduction of new working hours into a large company

According to consultants, the introduction of new work organisation within a company requires the management to disseminate the information as widely as possible, and even more so when the decision to modernise the organisation of work within the company is taken on the sole initiative of the management of the company.

Even in the case where the reform serves some of the interests of the employees, the reform must be based on *consensus*.

*Flexible working hours at Lloyds: the strategy for introduction of flexible working hours at Lloyds (where the right to work flexible hours was initiated and piloted by the employer with the support of the unions.)*

*For the employer "flexitime" represents a tool for reducing certain off-peak periods, curbing problems of absenteeism, etc., but above all, in a context where **qualified staff are becoming scarce**, flexitime is a tool to attract employees who are concerned about quality of life. The employer's interests met the traditional concerns of trade unions (parental leave, etc.).*

It is that philosophy that drove the introduction of part-time working at Lloyds, which was mainly motivated by the need to attract qualified staff in a highly competitive market.

The introduction of part-time working at Lloyds was handled in a very methodical way, in order to obtain a consensus at *each stage* of the conversion of the work organisation. The management regularly informed the union representatives of the progress of the working hours reform within the company. In addition, the management sent each employee a letter informing them of the possibility of working "differently".

This practice is more a matter of human resources management than a "project". However, it should be emphasised that this management practice introduced in the interest of the company (reduction of off-peak hours, reduction of sick leave) coincided with the interests of some of the employees, keen to maintain their "quality of life". "Quality of life" nowadays is inconceivable without substantial leisure time to allow personal development. It is the managers, women *and* men, who formed the majority of staff taking up part-time working at Lloyds.

On the other hand, only 7% of employees signed up for part-time working. These mixed results show that even though full-time working is not the absolute reference for working hours, changes in work are not experienced in the same way by all staff. Moreover, despite the wide range of flexible working arrangements on offer, only two were selected (parental leave and part-time), and teleworking only aroused the interest of a very small number of employees.

#### - Work/life balance

Introducing flexibility in a company meets several requirements emanating both from employers and employees.

There are many reasons for a company to introduce flexible working hours in an organisation:

- 1) in view of the increased requirement by consumers concerning quality of services and the possibility of having access to them at the weekend or in the early evening. From this viewpoint, the company uses the flexibility to

contend with a competitive market (increased productivity and meeting demand);

- 2) in view of the requirement of certain employees who want to achieve a better balance between family life and work. In this case, the flexibility is a practice to recruit and keep qualified staff, particularly those who are keen on their quality of life (see above).

From the latter viewpoint, the introduction of flexibility in an organisation is a response to important socio-demographic changes, such as the growth in two-income households, the increased desire by men to be involved in bringing-up their children. In addition, the ageing of the population means that an increased number of employees have to look after an elderly relative, in addition to their children. For all these reasons, for some employees, the adjustment of working hours is one of the criteria for choosing an employer.

Apart from a recruitment policy in the strict sense (attracting qualified staff), the improvement of the quality of life of employees may be a way for the employer to increase the productivity of employees. It is well known that the impression of being fairly treated is an important variable in employee productivity. In addition, if one considers that the feeling of stress at work reduces as quality of life improves, the employer can cut costs linked to staff turn, increased sick leave, etc.

As in the case of Lloyds, the introduction of "part-time" at Bristol Council was done on a voluntary basis. To make its policy effective, the Bristol local authority established a clear framework for employees to choose part-time working: while no employee is authorised to benefit from flexible working agreements, Council policy clearly establishes the conditions for introduction of part-time working by mutual agreement.

*Bristol: the local authority, a first-class employer*

*The leading employer in Bristol, the Council took advantage of a European project (see below) to change the organisation of working time of its employees; this was done with a dual aim:*

*- to improve public services (fewer off-peak hours, Sunday opening);*

*- to appear as a first-class employer (employees have the possibility of organising their own working time). The project was implemented through a partnership with the unions.*

The French participants were particularly surprised at the freedom of action that the employer enjoyed in terms of management of working time. This assessment gave rise to two questions, to which we will return: what is the balance between the sector agreement and the employer agreement? What is the balance between the law and the contract?

It is worth noting that this modification of working hours at Bristol Council had consequences for working times in the city. These consequences were not anticipated in connection with the Council's policy.

- Human resources policy and organisational modernisation of the company.

The opening-up to competition of the postal services market in Portugal led to a complete re-definition of the strategic vision of this large publicly-owned company, as well as a re-definition of its human resources policy, with a view to enabling both the company and the employees of the company to adapt to technical and commercial changes.

*Strategic HR management at the Portuguese Post Office (Correios de Portugal).*

*The new human resources policy of the Portuguese Post Office is based on a twofold change of outlook:*

- it is no longer a matter of managing people like financial resources, but to develop and update the skills of those people;*
- the traditional role of the HR management has to be re-defined.*

*Traditionally, four separate functions are devolved on the HR management: administrative expertise, definition of the strategy for the other management directorates, managing organisational change and defending the interests of employees. The new HR policy consisted of creating synergy between these four functions, in particular to link the long-term strategic definition and the management of everyday industrial relations. This makes the HR department the mediator between the objectives of the business and the interests of employees: by maintaining a good organisational climate, the HRM can manage ongoing changes through dialogue with employees and trade union representatives.*

*Supporting employees in introducing change – i.e. “strengthening the employees’ market and customer focus, competitiveness, quality, productivity and efficiency” – requiring the management to develop strategies for information, communication and above all, training.*

A number of French participants were very interested in the example of the Portuguese Post Office. In fact, this case study shows that the principle of “adaptability” does not necessarily go hand in hand with that of extreme “flexibility”, and refers us back to the words of Jean Bodin: “there are only as many riches as there are men”.

## **5.6. Equal opportunities for women and men.**

This pillar has the main objective of fighting against discrimination between men and women.

Discrimination between men and women has several aspects. The most blatant discrimination is unequal pay for identical work, which infringes a fundamental principle of justice, which is “for equal work, equal pay”.

But we also find structural reasons for pay inequality between women and men, which are no less discriminatory. In fact, while women earn less overall than men, it is generally because they occupy less skilled jobs. That is why promoting equal opportunities between women and men cannot be summed up in the single dimension mentioned above, but must also aim to provide women with training for skilled jobs, particularly in NICT.

*Austrian case study: The NGO “abz Wien for integration or reintegration of unemployed women into the labour market” employs over a hundred women (mostly part-time) and is intended to ensure the financial independence of those women (they are paid while training). It aims to train women for highly-qualified jobs (particularly for NICT).*

To do this, it cooperates with a network of companies (around 60). It assesses competencies, abilities and social skills of women who contact the NGO, trains them with a view to matching supply and demand on the labour market.

In general, to maintain social cohesion, in future it will no longer suffice to reduce the differences in living standards between those who are included and excluded from the labour market (by integrating those who are excluded into the labour market). It will be necessary to prevent the divide between skilled jobs and unskilled jobs from widening.

## **5.7. Transverse issues**

For all their variety, the case studies revealed a number of transverse issues, with a frequency that shows that they make sense and need to be clarified:

### **5.7.1. Balance between the law and contracts: a question closely related to national culture**

A happy medium seems to need to be sought between the law, which protects the most vulnerable party, but which is an inflexible component of regulation, unsuited to specific situations, and the flexible contract, which is too dependent on the relationships of force between the contracting parties.

During the presentation of the initiative taken by Bristol Council in the United Kingdom, the French audience was struck by the multiplicity of working arrangements offered by the municipal employer. This extensive range of employment contracts was made possible by the non-existence of employment legislation. One listener said: “So anything is possible in terms of employment, in the UK?” He was rather disconcerted by the phlegmatic answer from the representative of the British TUC: “Yes, anything is possible!”

It has to be said that for the sake of efficiency and perhaps also out of a certain conception of fairness, some French listeners were in favour of a degree of relaxation of this attachment to the law, an “expression of the general will”.

In another sense, and in the name of the principle of efficiency, the law appears as a relevant tool for incentives, enabling relevant “local” actions. To take just one example, let us return to the time-shifting policy in Bolzano. The presenters stressed the fact that while the local authority had complete authority to start negotiations with the companies in the area, a law of February 2000 “forced” the Mayor to organise working hours in the city. So this law conferred a certain power of incentive in the negotiations on working hours. (p. 5).

Speaking more generally, the countries that place their trust in the spontaneous regulation of the market (including the UK and Ireland) tend to delay regulation by the law until the dysfunctions that have been identified in the market (exclusion, etc.) need to be curbed; other countries, including France, tend to anticipate these dysfunctions and regulate by law. Part of the contradictory debate in Europe about employment policy is connected with these differences. Without seeking to reach a decision one way or the other here, it is clear that the identification of this collective behaviour enables better mutual understanding and makes debate possible.

### **5.7.2. Company negotiations or sector negotiations?**

The question arises once one acknowledges that the territory is a relevant forum for coordination. As an integral part of the territory, the company is increasingly a relevant player in territorial partnerships.

The sector may appear too remote from the roots of a company, and companies are often better at solving their own problems, as well as better able to anticipate the perverse effects of a decision taken “too high up”.

But far from seeing an antinomy between the sector agreement and the company agreement, the French trade union representatives expressed the desire for a closer linkage between company agreements and sector agreements, so that agreements entered into at sector level could be “drawn upwards”. In fact, it would involve elevating the practices of companies to sector level, to facilitate the benchmarking of company agreements. From this angle, the sector agreement remains a minimalist agreement that the practices of companies can move upwards.

### **5.7.3. Corporate social responsibility.**

During his closing speech, the representative of the Labour Relations Director at the MES pointed out forcefully that the next few years will see decisive rulings on employment and in general on the “European social model”. One of the themes that he highlighted was that of “corporate social responsibility”. On this subject, “everything needs to be invented”.

The company is increasingly appearing as an “emerging player” in employment policy.

Where a company is large and is the leading employer in a region, its territorial responsibility is clear, particularly when it carries out drastic restructuring. But new questions arise in a context where the right to lifelong training is in the process of being granted to employees: to what extent should the company pay for this training (whether it is initial, in a transitional period, etc.)?

### **5.7.3.1. Responsibility in terms of an employment catchment area**

When a company “gives a livelihood” to a whole region, its responsibility with regard to the employment catchment area is obvious. That is the configuration in the case of Volkswagen at Wolfsburg.

Instead of relocating its activities from Wolfsburg (as provided by a restructuring plan), Volkswagen took the gamble of restoring the dynamism of the region via a broad partnership with the local authority, the region, the public employment services, the trade unions and the churches.

***Volkswagen-Wolfsburg:** In the context of its worldwide strategy, VW must restructure its Wolfsburg site massively. For its image, and because the local authority of Wolfsburg held 20% of VW shares, it was **impossible to relocate**. However, keeping the headquarters of the company in Wolfsburg **required the image of the region to be changed**. It had (in 1997) an economic fabric that displayed little diversity, very poorly developed service industries, and ailing leisure infrastructures.*

***In partnership** with the trade unions, the local authority, the churches, etc. VW developed a **three-pronged strategy**:*

- *creation of an innovation campus (with a grant for setting up a business in innovative sectors);*
- *creation of a network of subcontractors;*
- *development of attractive infrastructures;*

*In 2001, - 619 jobs were created in 116 innovative firms;*

- *1800 jobs were created in 80 subcontracting firms;*
- *construction of an Olympic stadium.*

### **5.7.3.2. Responsibility for vocational training**

What should be the balance between training within the education and training system within companies? The question arises in particular when the company takes on “basic education”, of the language and writing skills type.

What should be the balance between general and specific training? The pitfalls of training for which only a company is responsible are well known, and were stressed by the French participants, particularly from the CGT-FO group: when the training is too specific (and therefore difficult to transfer), the employee is highly dependent on the company.

But it must be avoided that the company just becomes a sounding board for the failures of the educational system: is it up to companies to provide basic education? While employers recognise their responsibility and their interest in vocational training, particularly where it is specific, they expect no less from the educational system: an awareness, a dissemination of information about the world of business, or the world of *businesses*. This demand was mainly put forward by representatives of SMEs, who were well represented among the French audience. The unions, whose views were not without convergence with those of SMEs, asked that manual and technical trades should be enhanced, as these had too long languished in the shadows of more intellectual training.

### **5.7.3.3. Responsibility and image.**

In a context where the consumer is increasingly a “citizen consumer” (cf. “people’s” boycotts against Danone or Nike, for example), companies, and particularly those with an image to uphold (i.e. the idea of know-how, or a whole world<sup>5</sup>), are increasingly being called to demonstrate their responsibility to society as a whole.

#### *The Philips Employment Plan*

*This plan is part of the strategy of the Human Resources department of Philips in a context (during the early ‘eighties) where unemployment (18%) was public enemy number 1, and formed a threat to social cohesion. This plan was aimed at the **long-term unemployed (LTU)**. The participants were selected by **regional employment offices**. They were offered **paid training for one year**. A high percentage of participants found a job after their training.*

*Today, the situation has improved enormously (3% unemployment), and the plan is attacking the hard core of LTU, and particularly people from ethnic minorities who came to the country to solve labour shortages.*

It was in a context of high unemployment levels in the Netherlands (not used to reaching such levels – 18%) that Philips developed its “employment plan”. The socio-economic circumstances in the early ‘eighties led representatives of the employers, trade unions and government to sign the *Wassenaar Agreement* on redistribution of jobs, strengthening of employee participation, the fight to reduce youth unemployment, pay restraint and the reduction of government spending.

The Philips employment plan focused particularly on young people with no work experience when they left school, long-term unemployed, women wanting to return to work, the disabled and people with a high level of education but in a difficult situation on the labour market.

These target groups were paid (at the minimum wage) to attend one year’s training: this did not necessarily lead to a job at Philips. Nevertheless, the initiative was a

<sup>5</sup> cf. article de Barico dans le Monde, mois de mars.

resounding success: the year's training led to a job at Philips for 80% of the participants.

#### **5.7.4. Anticipating changes on the labour market**

Better anticipation of changes on the labour market appeared to a number of the French participants as one of the keys to success in the battle for full employment.

However, Robert Salais, Research Director at CNRS, stressed the necessity of not becoming locked into an excessively narrow vision of the market, or business would only be able to *react* to its environment, and could only pass on the tensions in the labour market to its employees.

Businesses can also act on their environment, not only by setting up diagnostics with the benefit of the opinion of all their employees, by setting up technology watches, but also enabling employees to update their many skills at work.

What is actually at stake in these two visions of business is the very conception of work. It can be considered as implementing skills acquired, or as an updating of multiple skills (social, technical) always potential because they are not used in a job. From the first viewpoint, an employee who does not correspond to the market's pre-defined criteria is thrown out of work when the economic climate worsens. However, from the second viewpoint, the company gives employees a chance to update their abilities that have not yet been tapped.

#### **5.7.5. Social cohesion and mobility**

Local cross-border players, who are well aware of the advantages of mobility and the necessity of promoting the generalisation of unrestricted access to mobility (in line with the principles of free movement of workers), nevertheless emphasised the danger that this *right to mobility* might become an *obligation of mobility*.

This question becomes more serious for adult employees with family responsibilities, as well as for older workers. This problem was raised, in particular, during the presentation of the "Labour Foundations" practice (see page 10).

#### **5.7.6. Linkage between macroeconomic environment / local action**

All the practices presented during the regional and national meetings were *local* practices, in the broad sense of the term. In fact, these practices were either applied within a precise territory (the region of Asturias, the city of Bolzano, etc.), or within a company. The question was whether the practices envisaged at "local" level had been made possible thanks to the resources of the place (the company, the territory), or if they were rather the expression of a specific socio-economic macro environment.

In many respects, the "local" aspect is inconceivable outside the relations that it maintains with its environment (institutional, cultural, social and macro-economic). Many "local" initiatives were allowed by European funds (Greek cases), or by legal incentives (cf. Bolzano), or by a context of growth (cf. actions in favour of ethnic minorities in the Netherlands).

More generally speaking, local players are keen to emphasise that all issues cannot be dealt with at local level: tax policy, employment law, etc. are a matter for national legislation. However, on the one hand, it is necessary to pass the “demands” from the field upwards to the higher levels of regulation and on the other, not to “expect everything from the macro environment” to act in favour of employment.

While it is clear that the “local” cannot be separated from a more “macro” approach, nevertheless it must be borne in mind that a favourable macro-economic situation is not a sufficient condition for job creation, particularly high-quality jobs. As the representative of the European Commission pointed out, “when growth is there, it must not lead to the substitution of factors, but instead to creation of quality jobs”.

#### **5.7.7. What is the value-added of the European Union in terms of employment policy?**

It has to be said that during the regional meetings only for local players, the European institutional dimension was presented above all via funding that the EU provides, particularly via the ESF.

European funding is essential for launching certain **innovative** initiatives – particularly for initiatives emanating from local authorities – which would never have come into being otherwise.

Beyond funding, the value-added of the EU appears to be the dissemination of a method, i.e. the setting of agendas, with short and medium-term deadlines, setting of quantified objectives and in general, a culture of action based on consultation and dialogue (which has been very well understood at the territorial level: see above).

Certain French participants who referred directly to the benefits of the days of exchanges in the COPARSOC project expressed the wish to be able to meet this concern for dialogue and concerted action within their own organisation: “it is a matter of listening to each other more attentively, taking a step back from our own interests, to be able to work faster towards what is best for everyone”.

The Irish participants highlighted the appeal of the European discipline for them.

Finally, the European Union appears to be an appropriate centre for coordinating and disseminating actions undertaken in mutual ignorance.

#### **5.8. Transferability and good practice.**

The transferability of a practice is, in theory, an essential criterion to characterise a good practice.

The transferability of practices raises several problems, however: - the success of an action may be linked to a very specific context (geographical/institutional or time: what is right at time T may not be at time T+1); beyond the quantitative success (fewer unemployed people, for example), one has to wonder whether a practice is a “good” practice from the qualitative viewpoint, so whether it fulfils the criteria of justice and fairness recognised by all.

An innovative practice in terms of adaptability and enhancement of employability of long-term unemployed people was introduced at Bremen in the public transport company. Although it was facing increased competition from private transport firms, BSAG did not lay off staff: it even created jobs.

The success of the project relied on an inter-generation solidarity pact. Long-term unemployed people were recruited full-time, for a wage equivalent to 85% of the full-time rate, while older workers were encouraged to work part-time for a salary equivalent to 85% (see below).

Solidarity between generations has several dimensions: transmission of know-how and sharing of pay.

**Older workers with important skills** pass on **their know-how to unemployed workers who have just joined the company**. That is what justifies, among other things, that they are paid more per hour than the new recruits. Moreover, by accepting part-time working, the older workers reduce the amount of their future pension. But in the short term, the part-time working has at least two advantages for older workers: it is a way to keep healthy, and a way to wind down gradually towards retirement.

So, whereas to contend with increased competition, BSAG should have made mass dismissals (it is difficult to achieve productivity savings in the short-term in a transport company), it created jobs by adopting innovative work organisation.

#### *BSAG-Bremen Public Transport Company*

*In a context of recession for public transport companies, BASG defined an **inter-generational solidarity pact** between its employees: **older workers** were encouraged to work part-time (**half-time**) and received **85% of their original pay**: 50% by the company, 20% State subsidy, 15% taken off the salary of young recruits, often from the long-term unemployed.*

*The motivation for older people to choose part-time: improved health, transition towards retirement.*

*The long-term unemployed are encouraged to accept a lower wage compared with other BSAG employees, because their wages are still higher than private-sector personnel*

*Since 1997, over 300 people have signed an "ATZ contract". At present, 150 people are under this form of contract.*

This practice was not unanimously accepted by the French participants. Was the existence of two types of wage-earners viable? Was this model of inter-generational solidarity just and fair?

The presentation of the case had the advantage of allowing *debate* about the principles underlying this practice. The transposability of a practice cannot be understood only via technical criteria, but also through its general philosophy.

It has to be said that actions in favour of employment presented during the meetings were practices that had not really been validated as *good* practices.

It is true that from the formal viewpoint, they were “good practices” to the extent that all these actions had followed a certain protocol: - evaluation of the contexts (resources, constraints, potential outcomes) – diagnostics;

- setting of objectives and the means to achieve them;
- evaluation of the results.

However, other criteria are necessary to evaluate whether a practice is “good”, and therefore desirable. These are criteria of justice and fairness, which are the fundamentals of concepts of “quality of employment and social cohesion”. The drafting of criteria for good practice underpins the definition of the European social model: which is why this issue is so important.

Whatever the case may be, the main thing is that concrete actions should be made visible and transferred into an arena for debate (where they can be assessed as good or otherwise).

## **6. An ambition of COPARSOC: towards a democratic debate on European employment issues.**

The assessment that was widely expressed by the participants is that “we can’t leave it at that”. The debate, which flourished during the COPARSOC meetings is intended to convey reflection, controversy and new ideas, to be disseminated both at legislative level (European and national) and in places of European and national negotiation.

The meetings of action 1 of the COPARSOC project aim to kick-start a broader debate to enable democratically negotiated benchmarking of employment policy. In fact, for the European strategy to move up a gear, it is necessary for employment policy evaluation indicators to be formulated. The proof of this is that, to quote the Employment Delegate, the guidelines that allowed real change in the employment field are those with quantified objectives.

However, it appears clear that these normative indicators, which distinguish “good” from “bad” policy, must be the subject of the broadest possible debate beforehand.

What is at stake is clear: a choice of “European social model” needs to be made – a democratic choice.

Holding the broadest possible democratic debate about the choice of a European social model, brought about in particular by the choice of employment policy indicators, is even more urgent since it is not out of the question that in the very short term, the EES will have “spill-over” effects on pay policy (job creation policies do raise the question of labour costs), social security policies (employment activation

policies imply a review of the quality of unemployment policy and benefit levels; furthermore, the fall in the indirect cost of labour poses the problem of financing the social security system), on family policies (need for crèches and services for families if we wish to increase the number of women in paid employment), and on tax policy (public employment policies require new budget resources). In more general terms, the EES risks having effects on all redistributive policies.

Perhaps *it needs* to incorporate all of these policies rapidly: indeed, the EES will be called to resolve a poignant contradiction which was rightly raised by the UNICE representative: “unemployment is an urgent problem, and the EES is taking its time”.

## **Already a snowball effect ...**

**The partners invited from five countries are ready to support the spread of peer review and “multilateral monitoring” among European social partners.**

### **6.1. Extension of action 1: towards a network of exchanges of good practice**

At the Paris meeting, the social partners from Germany, Austria, the United Kingdom, Spain and the Netherlands demonstrated their interest in carrying out action 1 in their countries of origin according to specific arrangements.

The German social partners proposed to organise meetings for exchange of “good *business practice*” on precise and clearly demarcated themes. The German representative raised three themes which were burning issues in Germany (basic training, pay, [public services](#)) and which, in his opinion, would benefit the German social partners if they were understood in a transnational manner. So it was proposed that the extension of action 1 in Germany should result in thematic meetings organised by the German social partners.

The Spanish social partners also considered that “peer review” type meetings (the regional meetings of action 1) would benefit from being organised on a thematic basis. The Spanish representative raised a single theme: industrial reconversion.

The ambition of COPARSOC is to achieve, in the short term, a stabilised network for exchange of good practice between social partners (at local or regional level) belonging to a hard core of Union member states.

### **6.2. Towards a European experimental network of social partners associated with a view to evaluating the employment process and NEAPs (action 2)**

The German, Spanish and Dutch representatives gave their support to the establishment of an experimental network based on the model of “multilateral monitoring” practices. This network would comprise initially at least nine member states.

Within this network, the European social partners will proceed to bilateral and/or multilateral exchanges about their NEAPs based on reciprocal reading of the documents produced.

This is with a triple aim:

- to improve the shared knowledge of employment policy by the social partners in each country of the network;
- to contribute to the final evaluation of the Luxembourg process, and with a view to the drafting of future NEAPs;
- to give shape and continuity to an enlargement of the network to all the member states, as a coordination in parallel to that of the member states, intended to

reflect the whole activity and the debate within the European Social Dialogue Committee.

The work will rely on the NEAP documents from each country concerned and on information about the environment and the context which the European Industrial Relations Observatory within the Dublin Foundation will be invited to produce by targeted exploitation of its national databases.

### **6.3. Adoption of the COPARSOC method by the French social partners**

Spin-off from COPARSOC action 1 has already been felt in terms of participation by the French social partners in drafting the NEAP 2002.

The French social partners met in a working party of the Social Dialogue Committee for European and International issues (on invitation by the members of the COPARSCO who are also members of the CDSEI) to debate the choice of good practices that they will incorporate into the NEAP 2002 on themes of making careers more secure and obtaining an employment mix.

This informal meeting led to the "Contribution of the social partners to the NEAP 2002".

It mentions in this contribution that the discussions carried out during this day of work led to themes being highlighted that could in future inspire the European Employment Strategy as well as the national employment policy.

This meeting about around thirty cases presented by each of the employers' and trade union organisations involved for this purpose led to the "choice of case studies to be mentioned in the NEAP 2002 as well as the identification of working methods and transverse policies to be treated in greater depth in preparation of the guidelines and the NEAP 2003"<sup>6</sup>.

The analysis of the practices made available by the various organisations enabled three action contexts to be highlighted:

- 1) Short and insecure contracts: the social partners showed that there are practices in existence that enable "intermediate periods" to be put to better use, particularly by giving "career value-added to an insecure job".

Seasonal activities, to take just one example, could be enhanced in this respect. The work carried out by a seasonal worker uses skills that should be recognised, and which could be put to use in other jobs.

It will involve finding the legal and contractual instruments to make it possible to value these skills;

- 2) Broadening recruitment and creation of career paths: starting out from the viewpoint of businesses, their requirements for qualified labour, this involves seeking a new mode of organisation which will enable certain types of the

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<sup>6</sup> Cf. « Contribution des partenaires sociaux au PNAE 2002 »

recruitment to be facilitated and enhanced (employees in difficulties, women), to reduce bottlenecks or remedy the negative image of certain careers.

An integrated approach to the various “tools” enabling the broadening of recruitment is necessary to increase the overall efficiency of the employment strategy:

- pooling of resources and means of intervention on the labour market;
  - management of transitional periods during careers;
  - careers in coaching, information and dissemination of employment policies;
- 3) Forward planning of employment and skills policy in the context of globalisation and new industrial upheavals, large groups of companies have developed career path policies within the company, enabling employees to enhance their skills regularly;
- 4) The theme of feminisation of employment appeared as a transverse issue in all the themes raised above: the massive influx of women into the labour market has raised questions about changing working hours (work/life balance), reskilling of service jobs, reduction of pay inequalities, etc.

To conclude, the “Contribution of the social partners to the NEAP 2002” benefited from the original methodological contribution of the COPARSOC project, giving priority to the DEBAT on practices favourable to employment.

The exercise that consists of debating case studies and distilling out general themes for action in favour of employment was even more appreciated by the social partners because it seems to them to be a good way of giving greater *visibility* – both at national level and European level – to concrete actions carried out by their respective organisations (usually in partnership).

The testimony of the French social partners by means of concrete actions is also perceived as a springboard to *influence* the French government and in general to *defend* their vision of the European social model.

Action 2 of the COPARSOC project should enable these players – who currently only have a secondary responsibility in drawing up the NEAP – to be informed of the government texts in order to debate them with their counterparts in other member states of the European Union.

# RECORD OF ACTION 2 OF THE COPARSOC PROJECT

## (June-December 2002)

This report follows on from three Action 2 meetings of the COPARSOC project, which were held in Madrid, Paris and Berlin in October 2002. These meetings were preceded by an experimental meeting in June 2002 in Paris, bringing together social partners from Spain, Germany and France.

This report is focused on four points, which are not all of equal importance. It returns to the aims of the project (I), presents the context of the COPARSOC meetings (II), sets out the lessons learned from the debates between national social partners (III), and finally, it outlines the main features of potential improvements and prospects for dissemination of the debates (IV).

### 7. Recap of the aims of the project.

#### 7.1. Involving the new players in the EES.

Launched in 1997, the European Employment Strategy (EES) has given rise to a learning dynamic between those in charge of national employment policies.

Despite the virtues of this process of convergence of national employment policies, the limitations of an exercise only known to a “happy few” have to be recognized.

Those who devised the COPARSOC project were well aware of this weakness, and they recognized the need to involve new players in the European Employment Strategy: the national and local social partners. It appeared to them to be potentially fruitful to apply the **tried and tested procedures** of the EES, i.e. peer review and multilateral monitoring to the national and local Social Dialogue. These procedures were applied during Action 1 and Action 2 respectively.

#### 7.2. The COPARSOC 2 meetings: multilateral monitoring by national social partners.

Peer review was applied during Action 1: local social partners from the thirteen member states engaged, on an invitation from their French counterparts, in a **transnational** debate on **concrete practices** in favour of employment. These exchanges of good employment practices afforded an opportunity, among other things, to raise awareness of the impact of institutional and socio-cultural differences on the operation of the labour market.

Understanding the consequences of these differences on labour market regulation was more specifically the purpose of Action 2, where three pools of social partners drawn from three member states were led to debate their respective NEAPs, according to the model of “multilateral monitoring”.

#### 7.3. COPARSOC meetings: a forum for debate without the need for bargaining between the national social partners.

The involvement of new players in the European Employment Strategy is a response to a requirement both of **efficiency** and **legitimacy**. In fact, for the construction of the “**European social model**” to be able to claim legitimacy, it is necessary for its characteristics to be debated as widely as possible, and first and foremost by those who are primarily concerned by employment issues, i.e. the social partners at national and local level.

Which is where the idea came from – carried forward by the COPARSOC project – to set up a forum for debate without the need for bargaining, which would have a role alongside the negotiating forum (European Social Dialogue) and the legislative forum (the decisions of the European Council).

The "no bargaining" aspect is important: it refers to an attitude of **sympathetic and attentive** listening by the participants, necessary for creating a pragmatic position on employment issues without being charged with any conflict due to the economic climate or ideologies.

## **8. COPARSOC meetings in Action 2: a method of transnational debate.**

The COPARSOC meetings were designed as a place for mutual learning between social partners from different member states: learning required in advance of creating a force for propositions in the context of the European Employment Strategy.

### **8.1. The method of debate**

To facilitate learning by participants, during the three meetings, **discussions** on the NEAPs and national employment policies were **structured around the questions** formulated by the social partners drawn from the peer countries: so the Italian and Dutch social partners studied the German NEAP in advance of the meeting, and opened the debate with their questions; the German social partners answered these questions without giving a formal presentation of their national situation first.

With a view to facilitating the "cultural balancing" of the various participants, a discussion rule was set, according to which questioners had to specify the **motivation and “background” to their questions**. This “cultural balancing” principle enabled “representations” that each party had about the others, on the one hand (the “Dutch miracle”, the “infiltration” of the European institutions by the Portuguese, the “ability” of the Portuguese to make good use of the ESF, the importance attributed to family life in Sweden, etc.), and on the other hand, the national concerns that could potentially find an answer in foreign experiences (“undeclared work” in Italy, etc.).

### **8.2. The presentation by the expert.**

In addition, at each of these meetings, always with a view to facilitating the dialogue between the national social partners from the various member states, the debates were preceded by a **summary comparative presentation of the various industrial relations systems as well as the main characteristics of the national labour markets**. These presentations have often served as the basis for formulation of

cross-questions. In three out of four cases, the experts came from the network of the European Industrial Relations Forum (EIRO).

### 8.3. The possibility of hearing all sides of the debate.

An **open forum** on national employment policies was made possible by the joint presence within the majority of the national delegations of **representatives of employers and trade unionists**. It should be noted that both employers' representatives and trade unionists failed to attend some meetings, depending on the national delegations: in Madrid, the British trade unionists were missing; in Berlin, the German and Dutch unionists were missing.

Viewpoints from both sides emerged on the occasion of the debate on the 35-hour week in Paris, or during the debate in Berlin between Italian unionists and employers on the "right to training".

If this dimension was missing where the delegation was incomplete, the debate often enabled reference to be made to the absent partner, their strategy and relations in the social dialogue in terms of national characteristics.

## 9. What were the results, and what lessons were learned?

### 9.1. Recognition of common issues.

Many participants were struck by the fact that **the issues facing national social partners were identical**. This sharing of issues was perceived even in the formulation of problems: the social partners have to contend with **long-term unemployment, youth unemployment** and the challenge of **continuous training**. In this connection, the participants wondered whether this common formulation of objectives was an effect induced by the EES or whether, the other way around, it was the EES which had made the process of convergence of national employment policies possible. "Has the spirit of the guidelines impregnated national policies?"

#### 9.1.1. Long-term unemployment

Whether the national labour market is characterised by a high or low unemployment rate, the social partners from all member states have to contend with the persistent issue of long-term unemployment.

Lifelong learning does appear to be one of the keys to the battle against long-term unemployment: in a context where the labour market is undergoing very rapid qualitative changes in jobs, the fact of not – or no longer – holding a qualification that has a useful value or can be exchanged is a major social risk: it is necessary for employees to be able to acquire new professional qualifications corresponding to a requirement on the labour market. There is no shortage of studies – such as the Boissonnat<sup>7</sup> or Suppilot<sup>8</sup> reports – which show that the coverage of this social risk would be the keystone of a new professional status of those in work.

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<sup>7</sup> Boissonnat report "Le travail dans vingt ans" (Work in 20 years).

<sup>8</sup> Report for the European Commission: "Au-delà de l'emploi, l'avenir du droit du travail" (Beyond employment, the future of employment law).

### 9.1.2. Integration of young people into work

Giving young people a good start on the labour market also means fighting preventively against long-term unemployment.

From this angle, the question of basic, continuing and complementary training is of prime importance.

### 9.1.3. Basic training and continuing training.

The issues involved in lifelong learning played an important part in the debates between the social partners during each of the seminars.

The negotiation of agreements on the subject of LL has been recognised by the heads of government of the member states as a specific field of competence of the social partners.

#### Guideline n°13:

The social partners are *invited*:

- to negotiate and implement at all appropriate levels agreements to modernise the organisation of work, including flexible working arrangements, with the aim of making undertakings productive, competitive and adaptable to industrial change, achieving the required balance between flexibility and security, and increasing the quality of jobs. Subjects to be covered may, for example, include the introduction of new technologies, new forms of work and working time issues such as the expression of working time as an annual figure, the reduction of working hours, the reduction of overtime, the development of part-time working, access to career breaks, and associated job-security issues; (...)

This means that it is up to the social partners to contribute intensively to achieving one of the strategic objectives of the EU for the coming decade, set at the Lisbon European Council in March 2000, i.e. *to become the most competitive and most dynamic knowledge-based economy in the world, capable of sustainable economic growth accompanied by qualitative and quantitative improvement in employment, and greater social cohesion.*

The concept of lifelong education and training is a key element in this strategy<sup>9</sup>, which is of fundamental importance not only for the competitiveness and aptitude for integration into the world of work, but also for social integration, active citizenship and personal development.

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<sup>9</sup> Please refer to the Communication from the Commission: *Making a European Area of Lifelong Learning a Reality* - "When planning for a year, plant corn. When planning for a decade, plant trees. When planning for life, train and educate people." Chinese proverb: Guanzi (c. 645BC)\* COM/2001/0678 final

As in the regional seminars, the question of the **players responsible for training employees** was raised emphatically. Is it up to companies or the educational system to train employees?

The participants recognized a **shared responsibility** between the company and the educational system. They felt that the educational system had an obligation to train adults suited to the labour market, particularly by combating **illiteracy** connected with dropping out of the school system, and encouraging the recognition of “skills matrices” to acknowledge achievements outside school. Job prospects for young people dropping out of the school system are mediocre, and this is more or less pronounced depending on the intensity and segmentation of the labour market. So, in Germany, the rate of unemployment of relatively poorly qualified people is higher than in Italy or in Holland (13.7% compared with 10% and 3.5%). During the Berlin seminar, the Italian social partners enquired in detail about the German educational system, which allows considerable scope for vocational training.

In parallel, they consider that companies have a **social responsibility** affecting social cohesion and the personal development of employees. Both employers’ and employees’ representatives approve the appeal by heads of state and government issued at the Lisbon and Feira Summits (March and June 2000) *“in the sense of social responsibilities of companies concerning the best practice in terms of lifelong education and training, organization of work, equal opportunities, social integration and sustainable development”*.

Initial and continuing training are recognized as a **common asset** benefiting employers and employees. That did not prevent the participants from inquiring about very concrete points concerning the sharing of training costs.

Questions raised by an FNSEA representative to the Portuguese social partners on the subject of lifelong learning

Is training given in your country during or outside working hours ? Is it carried out exclusively on the initiative of the employer?

Is there a quota of employees destined for training?

Who finances this training? The employee, the company, the State? Is there a pooling of training funding?

In general, although recognised as of shared benefit to employers and employees, lifelong learning stimulates debate about the practical arrangements for implementation, particularly in Portugal.

In Portugal, the Agreement on the “right to training” has been the subject of lively debate between the social partners. Exchanges during the Paris meeting highlighted divergences between the trade unions and the representatives of

Portugal's employers. The unions are calling for the setting of a minimum quota of training based on recognition of a **right to training**, in a context where only 10% of employees receive actual training. (What is the relationship with the "drawing rights" in France?).

The demands of Portuguese employees' representatives refers to the concept of "social drawing rights" publicized in France by Alain Supiot's report. The "drawing rights" mechanism aims to overcome a perverse effect of the current training systems, i.e. that the prime beneficiaries are the employees with the most secure jobs. With this in mind, the idea is to set up "universal training coverage" of workers, each with a social drawing right for the following services:

- information ;
- careers guidance ;
- training,
- certification and validation of achievements.

In order to ensure that social inequalities do not become more pronounced, the basic volume of drawing rights is increased

- structurally in a way that is inversely proportional to the level of qualification;
- in the case they lose their job and require a career change.

## 9.2. A shared determination to achieve holistic understanding of labour issues: the territorial approach.

Understanding labour issues just via the prism of relations within the company leads to an impasse. Today's responses, adapted to the problems of the labour market, are *transverse* and *complex* responses, incorporating multiple dimensions. As an Italian trade unionist pointed out, today the social partners are compelled to re-think industrial relations along these lines.

As sociologists and political scientists accept, solutions suited to our complex societies are "**glocal**" solutions, **in other words global solutions designed to be implemented at local level, where people live and work**. To take just one example, it is impossible to devise a policy to increase the number of women on the labour market without considering the infrastructures necessary to reconcile family and working life (crèches, opening hours of shops and various services): family and working life are rooted in a territory.

In other words, effective solutions to a general problem can only be **local** if they are to be suited to the needs and preferences of the actual players located in a given territory.

## 9.3. What kind of regulation is needed?

The consensus about the necessity of **decentralisation and adaptation of measures in favour of employment**, in a context of diversification of requirements and preferences of employees gives us a forceful reminder of the question of choice of the **relevant mode of social regulation**. What kind of balance needs to be struck between the law which protects, and the contract which takes into account the specific features, without eliminating the imbalance between the contracting parties?

It has to be said that this question arises in *each* member state, although the national socio-institutional history (tradition of tripartism, bipartism, industry-level negotiation, company-level negotiation) does strongly influence the answer. Evidence of this is the recent establishment of a tripartite foundation in Germany (Hartz Foundation), where tradition until now has been that the social partners have had total negotiating autonomy on any particular subject ("wage autonomy"). Likewise, in Portugal, a lively debate was started on the question of harmonization of the proceeds of collective negotiation and individual contracts. In general, the recognition by all heads of government of the need for greater "adaptability" of the labour market leads each member state to pose the question of the level and relevant form of social regulation that is likely to meet both "businesses' need for flexibility" and "employees' requirements for security and employability"<sup>10</sup>. Striking a balance between these dual requirements is not easy; especially as the perception of the equilibrium point seems to be dependent on cultural factors.

A representative of the Dutch employers' emphasised the keenness of Dutch employees to have access to "personalized menus", to "à la carte contracts", enabling what has been negotiated collectively to be adapted; the individualized choice mainly relates to an increase in pay or an extension of time-off. In Holland, the working conditions of employees who sign such contracts are equivalent to those of other employees. From this viewpoint, the Netherlands seem to be in advance of the spirit of the Adaptability pillar: "each Member State will examine the possibility of incorporating into its law more adaptable types of contract, taking into account the fact that forms of employment are increasingly diverse. Those working under contracts of this kind should at the same time enjoy adequate security and higher occupational status, compatible with the needs of business"<sup>11</sup>.

Italian trade unionists were worried about who would set the "menus": would the employee have genuine freedom of choice?

#### **9.4. But there is mutual ignorance about the solutions envisaged by the various parties to these shared problems.**

While the issues appear to be broadly common to the social partners of the various member states, they are not perceived as such at national level. This supports an enlargement of debating forums of the COPARSOC type.

The meetings revealed a **cultural illiteracy** shared by the participants. In this respect, the social partners wished to have greater cooperation between their organizations and organizations such as the Dublin Foundation, in order to have direct access to comparative data on national systems.

<sup>10</sup> [http://europa.eu.int/comm/employment\\_social/empl/esf/pilar\\_en.htm](http://europa.eu.int/comm/employment_social/empl/esf/pilar_en.htm)

<sup>11</sup> *Ibid.*

The solutions envisaged in the various countries depend largely on the national system of industrial relations. However, this framework is not insurmountable.

#### **9.4.1. Legislation, negotiation, tripartism.**

During the meetings for Action 2 of COPARSOC, the social partners took the time to learn about the diversity of industrial relations and social cultures. They paid particular attention to understanding the diversity of national viewpoints about the EES (see below, section 3.5), to identifying the convergences and specific features of the other countries. This comparison of various national models is not only another way of understanding national employment policies, but it is necessary in a context where the national social partners are invited to form themselves into a force for making proposals within the European Employment Strategy<sup>12</sup>.

The nature of the industrial relations system leads, putting it simply, to envisaging solutions to labour problems either based on consensus, or based on conflict. The dividing line seems to be between North and South. The Swedish social partners are very much involved in the negotiations encouraged by the State since 1938, while the Portuguese social partners have only been involved gradually in the negotiations since the start of the 1980s.

In addition, the cultural traditions place the emphasis on different negotiating levels: however, this does not prevent changes. In Sweden, the negotiations were traditionally carried out at inter-professional level, but there is a move towards negotiation at sector level.

The participants have experience of their respective clout in national industrial relations. In the countries of the North, the trade unions are relatively strong, due to the high percentage of union membership: in Sweden, the level of unionisation is 79%; in Denmark, it is 87.6%<sup>13</sup>. In this context, the State supports the negotiation between social partners, but does not impose the framework for the negotiation. In France, the low level of union membership of employees (the lowest in Europe, at 9.1%)<sup>14</sup> is compensated by the "extension mechanism" promoted by the State. In Portugal, there are no criteria for representativeness: there may be several collective bargaining agreements within a single company. However, the State does legislate to standardise the situation of employees.

#### **9.4.2. The industrial fabric.**

Beyond these socio-institutional differences, the differences in nature between the industrial fabrics play a determinant role in the manner of understanding the common issues: one cannot apply the same employment systems for large companies as for SMEs and microbusinesses.

#### **- PME and FTLV**

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<sup>12</sup> see guideline n°13 in *Proposal for a Council Decision on Guidelines for Member States' employment policies for the year 2002/ COM(2001) 511 final, 12/09/2001*

<sup>13</sup> Source: <http://www.eiro.eurofound.eu.int/2002/07/Feature/TN0207104F.html>

<sup>14</sup> *Ibid.*

There is a world of difference between Sweden and Portugal when it comes to the nature of their industrial fabric. That does not prevent the Swedes from being able to learn from the Portuguese in fields where the latter has acquired a degree of experience, i.e. SMEs.

The Swedes have been having a great deal of difficulty in adapting their training system, which works relatively well for large (or even very large) companies – to small companies: how do the Portuguese deal with the question?

Questions raised by a Swedish representative to the Portuguese social partners on the subject of the relationship between Lifelong Learning and SMEs.

In Sweden, we find it difficult to make use of the Structural Funds.

How did you use the Structural Funds to implement Lifelong Learning in SMEs?

What is the structure of SMEs in Portugal?

How do the Portuguese support Lifelong Learning in SMEs?

Lifelong Learning is a particular challenge for SMEs and microbusinesses. The latter do not have the same facilities as large companies to release training time for employees and finance training costs. The representatives of SMEs therefore request that the concept and the tools of LL should be adapted to the specific situation of small firms, which form the majority of European businesses. This requirement has been reflected in the Commission strategy for small businesses (“Think small first”).

As the authors of the White Paper on Corporate Social Responsibility<sup>15</sup>, the concept of CSR – of which Lifelong Learning is one of the pillars – was mainly devised by and for large multinationals. The representatives of SMEs require adaptation of this concept to their specific situation. As emphasised by representatives of SMEs, which form the overwhelming majority of employers in Europe, SMEs often manage their impact on society in a more intuitive, more informal way than large companies. In doing this, many SMEs have already adopted responsible environmental and social practices. But it has to be said that the economic spin-off of a responsible practice of business management is less pronounced than for large companies. Should incentives be introduced to encourage CSR? One possible solution would be to “facilitate cooperation between large companies and SMEs (they are often subcontractors) in managing their social and environmental responsibility (management of supply chains, management of tutorship, etc.), with respect for national and Community competition rules”<sup>16</sup>.

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<sup>15</sup> *Communication from the Commission concerning Corporate Social Responsibility: a business contribution to sustainable development*, COM(2002) 347 final.

<sup>16</sup> *Ibid*, p.13.

Given these divergences, it is not a matter of choosing deliberately between these various models, even after a comparative evaluation, which would in any case be something of a challenge. But, as pointed out by a CFDT representative, it is a matter of identifying clearly the power relationships that are in the process of being put in place. The regional COPARSOC meetings enabled these guidelines to be highlighted, according to this representative.

#### **9.5. Specific national features, in brief ...**

- **In Portugal, the deficit in entrepreneurship is linked to cultural barriers.** As emphasised by a representative of the Portuguese employers, entrepreneurs do not receive a good press in Portugal. Entrepreneurs are seen as “thieves”, usurpers, etc. That is why the European encouragement for developing the spirit of enterprise is appreciated by this employers’ representative:

##### *Facilitating start-ups and business management*

The setting-up of new businesses in general and the contribution to growth of small and medium-sized enterprises (SMEs) in particular are essential to job creation and the development of the possibilities for training young people. This process must be encouraged by increasing awareness about the spirit of enterprise, within society and in educational curricula, by establishing a clear, stable and reliable regulation, and by improving the conditions that enable the development of venture capital markets and access to these markets. The member states should also reduce and simplify the administrative and tax burdens that weigh heavily on SMEs. These policies should intensify the prevention of undeclared work.

#### **- Regional disparities in Spain:**

Some Spanish trade unionists called for regionalisation of employment policies, which would take greater account of the specific socio-historic and economic features of the various regions that make up Spain. In this regard, they proposed the establishment of a peer review process between social partners from European regions facing similar issues in order to make the debates more efficient: so a pool of regions comprising, among others, Asturias and Lorraine could deal regularly with the practical problems connected with the reconversion of mining regions. This demand for regionalization of European action refers the European institutions back to the challenge posed by the European Employment Strategy: should employment policies be harmonized or coordinated?

#### **- Undeclared work in Italy:**

Undeclared work represents a debilitating problem for the Italian economy. It reduces the tax basis considerably, which contributes to increasing tax and social security contributions. A law was adopted recently based on a proposal by the social partners, which consists of a reduction in the tax burden on the low paid to encourage employers to declare illegal workers.

- **The success of part-time working in the Netherlands:**

The legislation on part-time working results from a voluntary agreement between the social partners. It was not imposed from above. Part-time workers have the **same working conditions** as full-time workers. There is no discrimination between these two types of employees. As a Dutch employers' representative stressed, it was in the employers' interest to provide for part-time career management for women: it was the only way for them to attract women onto the labour market in a context of labour shortages.

- **1 million disabled people in the Netherlands:**

Nearly half the people registered as disabled in the Netherlands are people recognised as "psychologically disabled", and they often benefit from an unjustified pension (it is relatively easy in the Netherlands to be registered as disabled, and the benefits are particularly attractive). People with disabilities are not counted in the active population: and this contributes to reducing the rate of unemployment artificially.

- **The weaknesses of the Dutch miracle:**

The Dutch miracle was based essentially on a pay restraint policy. However, tensions on the labour market (particularly due to a lack of skilled labour) are leading to a considerable increase in salaries.

- **35-hour week:**

As during the experimentation meeting, the questions by the social partners invited from France mainly concerned the operation of the 35-hour week. This interest shown by foreign social partners enabled a plurality of views to be expressed among the French social partners: a social advance according to some, a threat to the viability of small and medium-sized enterprises according to others. According to an SME representative, the introduction of the 35-hour week had widened the divide between large and small companies. Large companies "can afford to switch to the 35-hour week" while SMEs cannot: the former become more attractive as employers: how can SMEs be made more attractive, as they are now starting to experience shortages of skilled labour?

## **9.6. An indirect evaluation of the EES.**

The meetings contributed to an **indirect evaluation of the EES**.

### **9.6.1. The understanding by the players in national employment policy remains *national*.**

The NEAP remains to a large extent "an unidentified object". The social partners came to discuss NEAPs; very soon, however, the debate concentrated on **issues perceived as national or regional**.

For a large number of participants, the NEAPs appear as the retranscription of national measures rather than the conception of new systems common to all member states. It was interesting to note during the opening of the debates how

often the following question cropped up: “How important is the NEAP in your country, because in ours, it is a document that has no real strategic meaning?”

The sentiment expressed in this question is due, in particular, to the *low practical involvement* of national social partners in drawing up the NEAP. A distinction must be made about the nature of the involvement of the social partners per country.

In Sweden, the social partners’ contribution to the NEAP is carried out “naturally” in the context of the discussion that they have with the authorities. The government gives strong support to the contribution of the social partners on certain issues. So, a committee meets regularly to discuss the question of vocational training. The Swedish government and trade unions have even launched a large-scale communication plan to encourage greater involvement by local and regional unions in the NEAP.

In member states where the Social Dialogue is less firmly anchored culturally, the involvement of the social partners in the implementation of the European Employment Strategy has definitely evolved in a positive way, but it remains tenuous. In France, for example, a forum for dialogue between the public authorities and the social partners (CDSEI) was charged with questions relating to the EES. The NEAP nevertheless remains a government document, and the French social partners are primarily consulted: they are not *players* in the EES. They have the possibility of criticising the State’s employment policy, but not to participate fully. In this regard, a CFDT representative expressed regret that there is no real forum for tripartite debate between the social partners and the authorities. Others, on the other hand, were more sensitive and reluctant about the changes currently in embryonic form constituted by the setting-up of the CDSEI, reject any shift of direction towards tripartite dialogue (CGT-FO, MEDEF).

The unequal involvement of social partners in the writing of the NEAP depending on the member state concerned remains a problem, when one emphasises once again that they are explicitly called to be informed of certain issues (cf. guidelines nos. 13 and 15).

### 9.6.2. Where is Europe?

As on the occasion of the regional meetings, the institutional “Europe” was referred to mainly in its dimension as a source of funding: “How did you make use of the European Social Fund to foster your development?”<sup>17</sup>

Without being insignificant, the question “Where is Europe” should not hide the main issue. Admittedly, the NEAPs sometimes appear to be a compilation of national systems; admittedly, the institutional Europe often fades away behind national concerns; but it would be unfortunate to forget that without Europe, no joint reflection between the socio-political players responsible for employment questions could be

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<sup>17</sup> In Portugal, for example, the European Social Fund contributes 65% to the training system : it has played a determinant role in adapting the issues of lifelong learning to SMEs, which form the overwhelming majority of businesses.

envisaged. No debate with a view to synergy between employment dynamics, no emphasis on convergence would be imaginable.

### **9.6.3. Has the EES contributed to reducing the number of unemployed people in Europe?**

As a representative of the Danish section of the CEEP observed, the results of the EES are **uncertain**: one cannot assess the scale of the reduction in the unemployment rate that is directly due to the EES, as is traditionally the case for national employment schemes. So far, there no *overall* quantitative assessment of the EES has been possible. Only a few guidelines have been able to be subjected to a quantitative estimate. These are the guidelines which, according to the Employment Delegate, have had a real impact on the development of national employment policies.

One thing is certain, however: the European Employment Strategy embodies a **new representation of what a good employment policy should be**.

### **9.6.4. The EES: a real social project.**

In the opinion of the representative of the CFDT who is also on the steering committee, one should not underestimate the political issues at stake in the EES. The EES is not a neutral “toolkit”: it embodies powerful political issues which have not always been debated in the past by the national social partners: “the guidelines are based on condensed, stratified policy guidelines, which impose hard strategic choices”. Which is why a forum for debate like COPARSOC is so important.

This is what was emphasised by a British expert close to trade union circles: the idea propagated by the guidelines according to which SMEs are the spearhead of the “spirit of enterprise” is questionable: it must at least be discussed. Promotion of the spirit of enterprise (as a vehicle for increasing acceptance of responsibility) underpinned the French experience of “aids for business start-ups by the long-term unemployed”, which may have neglected the evaluation of the “feasibility conditions” for creating of businesses that would survive long-term.

Another example of the normative dimension of the EES is the idea of the need to increase the number of older people on the labour market: the national labour markets are now being evaluated against the indicator of the level of inclusion of people aged between 55 and 65 years of age, laid down in the guidelines.

Even if this indicator was adopted by the heads of national governments, it has to be said that it has never been, at least in France, negotiated or debated: how else can one explain that the Socialist candidate in the last presidential election was able to campaign for a retirement age of 60, and that early retirement measures in the case of a redundancy plan are still used frequently in agreement with the social partners concerned? Likewise, the representatives of the Dutch employers highlighted the difficulties facing human resources management in trying to persuade people to work beyond the age of 63.

### **9.6.5. What responsibility, for which players within the EES?**

Faced with the political issues that underlie the EES, some social partners revealed their concern about risks of dilution of political responsibilities of the various actors involved in the EES.

The choice to involve the national social partners in the EES restates the problem of recognition of the **responsibility of the players** in the definition and implementation of employment policies.

The total involvement of national social partners in the European Employment Strategy is made more difficult by the different spheres of competence that are devolved upon them traditionally in their country of origin. Furthermore, negotiation of salaries, which comes under the powers of national social partners in every member state, is precisely not included in the pillars of the EES.

In France, CGT-FO did not wish to initial the “Joint Declarations by the Social Partners” included in successive French NEAPs: it refused to accept liability for a text which was the responsibility of government. For similar reasons, the Dutch social partners did not accept to come to Brussels with the Dutch government to defend the Dutch NEAP at the Commission, before September 2002.

With this in mind, the genuine commitment of the social partners in the EES presupposes, according to the participants, a clearer definition of roles. Some representatives envisage, in the medium term, a reinforcement of the role of the social partners in the fields that traditionally come under their responsibility in each of the member states, i.e. guidelines 13 and 15. The proposal by the Enlarged Steering Committee of the project as mentioned in Section 4 below would be, in the view of national social partners, a European acknowledgement strengthening their national legitimacy and in the preparation of the NEAP.

#### **9.6.6. Criticisms of the EES**

During the discussions, we saw a criticism emerge of the EES, which is shared by a number of experts and observers from trade union circles: the EES is concentrating mainly on the “structural reforms of the labour market”, the other parameters influencing the level and quality of employment – such as tax policy, macro-economic policy, interest rate policy – remain unchanged.

Furthermore, it is not out of the question, as stressed by Philippe Pochet of the European Social Observatory, that the EES may have “spill-over effects” in the shorter term on pay policy (policies for job creation raise the question of labour costs), on social security policies (policies of activation of employment imply a review of the question of unemployment policies and benefit levels; moreover, a fall in the indirect cost of labour raises the problem of funding the social security system), on family policy (need for crèches and social services for families if it is intended to raise the number of women in paid employment), and on tax policy (public employment policies require new budget resources). In general, the EES risks having effects on all redistributive policies.

#### **9.6.7. The indicators: “political numbers”.**

It is interesting to note the sensitivity of participants to the use of “statistics” in the analysis of national labour markets. Each presentation with “statistics” by an expert raised questions about the underlying assumptions and the design of the indicators.

For example: “the unemployment rates that you are quoting, are they defined with reference to people of working age, or with reference to people who claim to be looking for work?” (this question relates to “unemployed who have given up”, and no longer have the strength to look for a job<sup>18</sup>). Other questions attempted to highlight the difficult “comparison of figures” between one country and another. For example, the existence of “0 hour” employment contracts artificially reduces the unemployment rate. Likewise in Holland, where the high number of “disabled people”, which amounts to 1 million, leads to a form of “concealed unemployment”. The discussions enabled the socio-institutional frameworks of the design of the unemployment indicators, in particular, to be highlighted; in other words, they enabled participants to say what the figures did not.

This debate is even more important since it is taking place in a context where the European Union is aiming to draw up indicators common to all member states, which will make comparison easier and make evaluation of the convergence process more reliable. But the indicators are also strategic data, that enable the good and bad performers to be identified: for them to be recognized by everyone, the benchmarks need to be debated and negotiated.

The issue is therefore definitely political: it is a question of defining what a job is, or more precisely, what a “good” job is. Should the British definition of working be adopted for the design of the European social model?

## **10. Possible improvements and prospects for dissemination.**

### **10.1. Towards institutionalisation of Action 2?**

The institutionalisation of a transnational debate between national social partners would be, in the view of the members of the steering committee, an excellent vehicle for joint understanding and dissemination of the issues at stake in employment in Europe.

In this regard, the members of the steering committee are in favour of the establishment of an annual multilateral evaluation meeting of NEAPs by the social partners (Cambridge process II) and a peer review by national social partners. In the context of these peer reviews, the national social partners could debate regularly the systems for action in favour of employment in which they are involved at national level, in other words, they would be encouraged to exchange their own *good* practices, or formulated in a more consensus-driven way, their *own* practices; this would be aimed at mutual learning.

This proposal is a response to the formal invitation made by the heads of government to national social partners at the European Council of 19 and 20 June in Santa Maria de Feira, and intended to enable them to *play a more important role* in defining, implementing and evaluating the guidelines for employment that come

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<sup>18</sup> cf. text by Jacques Freyssinet, *Le chômage* (Unemployment), Paris: La Découverte/ Repères, 199 ??

within their competence, with the emphasis on *modernization of the organization of work, lifelong learning, and on increasing the rate of employment*, particularly for women. In more concrete terms, they are invited “in the context of the Luxembourg process, to report annually on the aspects of modernization of the organization of work which were covered by the negotiations, as well as the progress on their implementation and their impact on employment and the operation of the labour market” (guideline no. 13). The regular meetings proposed by the steering committee could provide the setting for the writing of these annual reports.

These meetings would enable the “offensive” cooperations between employees and employers to be strengthened, i.e. to make the national social partners fully-fledged players in the EES.

### **10.2. Dissemination of the results at national level and at European level.**

As was already emphasised at the regional seminars, the European issues must be shared by all the economic and social players, and not just a happy few. The debate on the European Employment Strategy must be taken forward by the employers' organisations and national trade unions. It is planned that an Internet link should be set up leading to a “COPARSOC web page” on the sites of each of the organisations of social partners who accept it. The member organisations of the members of the Enlarged Steering Committee gave their approval for this procedure.

In addition, the members of the Steering Committee for the project, enlarged to include the German, Spanish and Italian social partners wish that the proposals adopted should be debated in a European Social Dialogue Committee in early 2003. The SDC seems to them to be the relevant forum for debating the proposals of the COPARSOC project. In addition, if the SDC takes into account the COPARSOC exchanges, this could open the way to **a more effective linkage between the European Social Dialogue and the National Social Dialogues** with regard to the EES.

### **10.3. Incorporating the applicant countries.**

On the eve of the enlargement of the European Union to the countries of Central and Eastern Europe, it appears necessary to include them in this type of debate initiated by COPARSOC. This is to exclude the risk of a two-speed Europe, in a context of intercultural illiteracy, or even prejudices by the people of the present member states against the new members.

# Experimental project in European group dynamics

LINE B3-4000 – INDUSTRIAL RELATIONS AND SOCIAL DIALOGUE

## COPARSOC

### 1. Overall context

The Luxembourg process, which has to be evaluated by the beginning of 2002, has enabled national employment action plans to be developed. This intergovernmental coordination procedure involves European and national social partners at various stages of the process.

The member states have engaged in a European employment agenda, which starts with guidelines and completes its cycle with the joint report on employment, and recommendations to the member states. This procedure sets the pace for the employment policy year, without challenging the powers and responsibilities of the states in this field.

Two dimensions in the interaction of government policy deserve to be emphasised for their contribution to European coordination of employment policy:

- ➔ the choice in each NAP of a few cases of best practice which, when gathered together at European level, constitute a sample of the best work that is being done to encourage employment in each country and in the Union as a whole;
- ➔ the "peer review" of NAPs, a form of multilateral monitoring which enables each country to see its proposals analysed by two other member states, and presented in a general debate in front of representatives of the 15.

## 2. Policy directions for each project

The association of social partners in the drafting of the NAPs has taken a different course from one country to another. By drawing on their experience, the French social partners in the NAP wish to contribute to embarking on a project of European group dynamics with their counterparts in other member states based on two key areas of European coordination of employment policy: good practice and debate with their "peers" in the Luxembourg process.

Participants from the applicant countries will be invited, to the extent that it is possible to finance their expenses<sup>19</sup>.

The whole project will be put under the management of a steering committee, consisting of the social partners involved in the NAP, with an observer from the Ministry of Employment and Solidarity, and an observer from the European Commission.

Funding is requested on line B3-4000, intended to promote industrial relations and social dialogue; the contribution from own funds will be the subject of additional funding from the French authorities, in kind and in a financial contribution.

The operator of the project is the European Association of Territorial Excellence set up as a result of the EUREXCTER project coordinated by the CEEP and ETUC which are honorary members.

## 3. Project actions

Two complementary and interdependent actions are proposed:

### 3.1. Dissemination and debate about the compendium of good practice carried out by the European social partners

As the result of work carried out from the end of 1998 (Vienna Summit) until June 2000 (Lisbon Summit), a compendium of good practice on employment was drawn up by a group of experts from cases presented by UNICE/UEAPME, ETUC and CEEP, drawn from all the states of the Union and relating to each of the four pillars of the guidelines for employment.

At the Forum of 15 June 2000 in Brussels, the three European inter-professional partners handed the President of the European Council the text of a joint contribution concerning the dissemination of the compendium. In the chapter on their contribution to the Luxembourg process, they state:

"Action by social partners in the implementation of National Employment Action Plans (NAPs).

ETUC, UNICE/UEAPME and the CEEP call on the

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<sup>19</sup> The appropriations set aside for this purpose under line B3-4000 were exhausted at the time when this project was submitted: an application will be made for financing by the TAIEX office.

member states for full involvement of the national social partners in the drafting and evaluation of NAPs, and where appropriate, in their implementation.

ETUC, UNICE/UEAPME and CEEP are currently finalising a report which presents best practice by the social partners contributing to implementation of the four pillars of the guidelines for employment. This report should enable lessons to be learned for the future guidelines".<sup>20</sup>

The objective of this phase of the project is to ensure dissemination and debate between the social partners and the national, regional and local authorities on the compendium, with the contribution of the authors of best practices selected by the Steering Committee in the other countries of the Union. The action carried out in France is designed from a European perspective; its adaptation to other national contexts will allow it to be extended.

For this reason, the meetings enabling dissemination and debate are marked by a significant international participation, with a dual objective:

- ➔ encouraging exchanges about solutions from other states of the Union in the French situation;
- ➔ promoting and contributing to the same type of meeting in other member states.

On the initiative of the social partners, a review of these exchanges will be the subject in France of a plenary session of the Social Dialogue Committee for European and International Affairs, and will be proposed for inclusion on the agenda of the European Social Dialogue Committee.

### **3.2. Evaluation of the employment process and NAPs in an experimental European network of associated social partners** ([action2back](#))

The objective in this case is to create an experimental network initially consisting of at least nine member states whose social partners (employers and employees) will carry out bilateral and/or multilateral exchanges on their NAPs based on reciprocal reading of the documents produced. This should enable:

- ➔ the shared knowledge of employment policy by social partners in each country of the network to be improved;
- ➔ a contribution, in the activity report of the network, to the final evaluation of the Luxembourg process, and with a view to drawing up NAPs in the future;
- ➔ shape and continuity to be given to enlargement of the network to all the states of the Union (without excluding the possible association of applicant countries) as parallel coordination to that of the member states, with the aim of reflecting the debate within the European Social Dialogue Committee.

<sup>20</sup> Joint declaration for the Forum of 15 June 2000 in Brussels, under the Portuguese presidency.

The work will draw on NAP documents in each country concerned, and on information about the environment and context, which the European Industrial Relations Observatory within the Dublin Foundation will be asked to produce by targeted use of its national databases. Some Commission working documents could also be given to the project management.

### **3.3. Interdependence of the two actions**

The analysis of best practice implemented by the social partners will enable them to find out more about national actions and have a different perspective on the NAPs for which the member states have sole responsibility.

The critical knowledge of the NAPs will contribute to a shared European culture of employment policies, which will, in turn, enhance regional and national action by social partners in each country.

These objectives justify, in particular, the effort made in the preparatory phases and the monitoring of meetings for each of the two actions and the budgetary impact of the associated expertise.

## **4. Detailed programme**

### **4.1. Exchanges of good practice**

The Steering Committee will make the choice of best practice to be presented, the location and composition of a series of 3 regional meetings, and a national meeting, all scheduled between 15 October 2001 and 28 February 2002, corresponding to the following technical specifications:

#### **4.1.1 Regional meetings**

The meetings will bring together the French participants, guests from three countries of the Union and finally, if possible, some guests from applicant country who are able to speak a Community language.

The number of French participants is limited to 40, to be spread between employers' and employees' delegations; the guests on the basis of 2 good practices per participating country to 12 (an employer/employee pairing per case study) plus 3 experts (one per country) and one to four observers from the Ministry (DAEI, DGEFP, DARES, DRT), making a maximum of about 60 people, making work in plenary session possible and productive.

The duration of each meeting is two days, with a maximum of two overnight stays except in special cases. The actual programme will consist of 3 half-days of effective work, excluding the institutional aspects and welcome formalities.

The people invited by the Union are players, employers and employees, authors of good practice selected from the compendium and updated ; they will be assisted by an independent expert, an academic, researcher or consultant familiar with the context, and able to contribute a detached vision and a constructed analysis; European networks of experts from the Commission or those from European social partners will be asked to take part, without ruling out suggestions from the invited guests themselves. The guests and experts are expected to participate in both days and contribute to more effective production of items to be drawn together in the synthesis, and the conception of the extension of the system to other member states.

The working session (1/2 day) is chaired and run by an employer/employee pairing from regional and/or national level, alternating in these roles for each sequence; it consists of two successive sequences which are run in exactly the same way:

- a presentation summarising the context of employment policy in the country;
- presentation of the first case study selected, with discussion and comment by the authors and players (employers, employees, public authorities);
- comments by the expert;
- discussion by the French partners in terms of similarities and differences, highlighting comparable practices and the effects of the cultural and political context; the comparative impact of forms and quality of social and civil dialogue in each culture, and on the effects of the practices presented will be raised;
- synthesis of the exchanges.

The following sequences adopts the same pattern for the second case study from a different guest country. This arrangement is reproduced three times during the meeting.

Four regional representatives designated before the start of the meeting and one of the French experts form a collective memory group, charged with producing a synthesis of the discussions and the conclusions, presented and distributed at the end of the debates. They take part in the next regional meeting to ensure the link between the content and the exchanges, providing the corresponding information from the start of the meeting.

#### **4.1.1. The national meeting**

To be held in Paris in the second half of February 2002, with the following objectives:

- to capitalize on the exchanges at regional meetings;
- to study a case of good practice in three countries, preferably not represented at regional level in the forms chosen previously;
- to define the conditions for reconstruction of the experiment at national and European level, and propose arrangements for its possible extension, on the initiative of the social partners of other countries with the necessary adaptations of the system.

This brings together:

- the three regional synthesis representations (12 people);
- presenters and experts from 3 countries of the Union presenting good practice (9 people);
- the social partners associated in the NAP (40, equal number of employers/employees) in France;
- if the conditions are met, some invited participants from applicant countries who speak a Community language;
- the European social partners of the inter-professional Social Dialogue;
- representatives of the Ministry of Employment and Solidarity, the Dublin Foundation (EIRO) and the European Commission

The maximum desirable is around 90 people.

The working sessions will follow the logic of the three objectives assigned to the meeting. The final one will include, in particular, two round table discussions.

- ➔ 1- the national social partners from France and invited countries to formalise the synthesis in a bottom-up approach, and the expectations for items to be taken into consideration of the conclusions in the NAP processes in future;
- ➔ 2- the European social partners and the representatives of the Ministry and the Commission, to debate with them and the audience about the lessons and prospects.

It is hoped that it will be opened by a minister, with a closing address by the Commission.

#### **4.1.3 Logistic support**

EUREXCTER is the main contractor for the contract on budget line B3-4000 under the supervision of the Steering Committee. It may call on specialized sub-contractors for translation services, logistics for organizing meetings, and writing of reports and documents.

#### **4.2 The European network of social partners associated with NAPs**

The convergence and sharing of experience between the member states within the Luxembourg process for national social partners. This experimental action is intended to test a bilateral or multilateral working method with at least nine countries of the Union.

An interesting experiment initiated by the Netherlands and France has shown the potential benefits and richness of this type of meeting. The objectives listed in Section 3.2 ([action2](#)) are facilitated by the form and the operating conditions of these exchanges. To the extent that issues of national collective bargaining or relations between social partners and the authorities are put on a back burner, to deal with policy directions and European regulations in the Luxembourg process that seem necessary, the exchanges can deal more effectively with shared knowledge (Objective 1), the contribution to the evaluation of the process (Objective 2) and facilitating parallel and complementary coordination (Objective 3).

The idea is to grasp this opportunity and learn the lessons that each party can then plough back into the other levels of debate and social dialogue.

##### **4.2.1 The central network**

A hard core of three countries – France, Netherlands and Germany or Spain, for example – will participate in a first tripartite meeting, with the assistance of the Observatory of the Dublin Foundation.

It will comprise 10 representatives per country for the employers' and employees' delegations combined, and a maximum total of 40 people, including speakers and experts.

It will take place in Paris in April-May 2002 and adopt the following plan:

- ➔ opening by the Ministry and the representatives of the Ambassadors of

the countries concerned;

- presentation and discussion of the cultural and political contexts relating to employment in the three countries by experts, and discussion by the participants; use of the EIRO database, produced and handed over in the three languages for each country;
- presentation and examination of the NAP of each country by one of the others and each in turn; the preparatory work before the meeting will be supported within each delegation by the expertise of EIRO or the corresponding institutes of the Observatory in the countries (IRES for France). Debate.
- Conclusion and syntheses to be distributed at the end of the meeting.
- Examination of the conditions for networking.

#### **4.2.2 The decentralized network**

Each of the three countries in the central network covers the organisation on its territory of a meeting of the same type with two other member states, bringing the number of countries involved in the experiment to 9.

These meetings are scheduled from May to November 2002.

#### **4.2.3 Review, synthesis and outlook**

A synthesis work group, consisting of two representatives per country involved (employer and employee) will meet at the end of November 2002 on the basis of a synthesis drawn up by the Dublin observatory and its associated national experts, based on specifications validated by the project's Steering Committee.

The results were then distributed within the employers' and employees' organisations associated with the NAPs in all the countries of the Union, with the corresponding ministerial authorities, the Commission, the Community institutions, and put forward for inclusion on the agenda of the European Social Dialogue Committee.

They are expected to produce a contribution to the mid-term review of the Luxembourg process and the employment policy guidelines in the NAPs of the future.

#### **4.2.4 Logistic support**

As soon as the two member states which will be partners of the central core are known, and have expressed a clear motivation for this project, they will be associated with the Steering Committee when Action 2 is on the agenda.

The action will be managed by the contractor EUREXCTER; the budget is delegated to the organizing country by committing the expenditure and maintaining centralized payments against supporting documentation by the contractor.

## **5. Eligibility of the project**

Apart from the transnational dimension cutting across the whole project, the scrutiny of the characteristics of the project highlight its match to the eligibility criteria under sub-programme I of budget line B3-4000, in particular:

### **I. Support for the European Social Dialogue**

a. Actions to prepare the European Social Dialogue, such as: preparatory studies, meetings and conferences.	Strengthening the capacity for preparation and consultation of NAPs in the Luxembourg process (action 2)
c. Actions following up the work of the European Social Dialogue, for example: conferences and initiatives for dissemination of results of the European Social Dialogue by European or national events.	Dissemination of the European compendium of good practices and debate (action 1).

## 6. Eligibility of the partners

The following partners meet the criteria imposed:

- ETUC and the CEEP are instigators and honorary members of the EUREXCTER association, the proposed contractor for this project;
- the national social partners and the regional and national public partners in the associated member states;
- possible invited guests from applicant countries;
- experts, researchers and institutes.

## 7. Results expected

- a) Initiation of a process of dissemination of best practice surveyed by the partners in the European Social Dialogue, in the form of bilateral or multilateral exchanges, with analyses of the potential for adaptation, and reasons for unsuitability for transfer.
- b) Setting up of a network to debate the NAPs between the social partners associated in each member state, by analogy with the "peer review" process concerning the national authorities.

## 8. Duration of the action

The action is due for presentation to the Examination Committee on 15 September 2001, and is expected to last a maximum period of between 15 October 2001 and 15 December 2002.