

# EUROPEAN BACKGROUND INFORMATION COMMUNITY

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BACKGROUND NOTE

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### THE TRIPARTITE CONFERENCE

The European Community has established a new kind of cooperation on a trans-national basis which has important implications for the future. The so-called "Tripartite" Conference, held in Luxembourg on June 24, brought together important figures from management, labor and government - in the form of economic and social affairs ministers from the nine member states of the European Community or their representatives. The conference was organized under European Commission auspices, with officials from the Council also attending.

The conference discussed the restoration of full employment and economic stability within the Community, and while no Europe-wide "social contract" was agreed on, the participants produced a final joint statement in which they expressed their resolve to make "joint and coordinated" efforts towards

- consolidating the economic recovery,
- achieving growth while maintaining stability, and thereby
- creating the conditions for full employment and further social progress.

Several more specific goals were also set: The participants all agreed that the average annual growth target for the Community as a whole should be roughly 5 per cent from 1976 to 1980 and that an inflation rate no higher than 4 to 5 per cent should be achieved no later than 1980.

Basic Positions Adopted by the Conference

1. With regard to both supply and demand, economic policies should be directed at a return to full employment by 1980.
2. Governments will contribute to restoring price stability by
  - reducing budget deficits in the medium term;
  - pursuing a monetary policy which corresponds to the growth prospects for the national product;
  - following dynamic competition and labor policies.
3. A balanced and equitable economic and social situation will be possible only through a joint effort by all parties to adapt income trends to objective economic criteria, and that means price restraint, too.
4. A number of specific measures for improving the employment situation will be adopted, particularly with respect to young people. The measures will vary according to the circumstances prevailing in each country, but will be periodically examined by Community institutions.
5. Governments, employers and labor will all take appropriate measures to promote workers' interests. This includes worker participation (see Background Note No. 36 of last year on co-determination).
6. Better coordination of the economic and monetary policies between member states would contribute to better alignment of economic development in those states and thus help the achievement of common targets. For this purpose, particular attention should be paid to structural and regional problems.

Perhaps the most important outcome of the conference, however, was the agreement that this tripartite dialogue between workers, employers and governments should be continued. In the interim period, informal contacts will be maintained, with the agreement that another conference could be convened at a later date. Another important development is that the EC's Economic Policy Committee "will establish contact with representatives of employers and labor for the purpose of periodically examining with them short-term prospects and the Community's medium-term program."

Arriving at this "consensus" was not, of course, always easy. In fact, two members of the European Trade Union Confederation, which groups at a European level most of the trade unions from the member states and which was the major labor representative at the conference, disassociated themselves from the final document. Even so, the ETUC as an organization did commit itself, without reserve, to the objectives outlined by the conference. France's Confédération Générale du Travail, not an ETUC member but also present at the dialogue, was the only union to reject them completely.

It is the belief of the European Commission that a dialogue has begun which must be continued in the interest of economic stability and full employment within the Community.