



# Carrefours

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## • Newsletter •

### Editorial

An attentive listener to public debate in Europe about the welfare state is often left with the impression that Europeans can choose only between the dismantling of social rights and the slippery slope of economic decline, between accepting an indefinite increase in inequality and making do with a low rate of growth accompanied by a high level of social exclusion. Such a trade-off is purely imaginary and has nothing to do with reality.

The first thing to say is that this alternative is not confirmed by available comparative studies, whether they cover national economies as a whole or more specifically corporate management. These studies show that globalisation is not the main source of the ills of our welfare systems. They also underline the fact that economic efficiency and social cohesion still go together. Reasoning in terms of this alternative also means ignoring the essential values that the national systems of social rights in Europe have preserved until now, even in recent years: limited social exclusion and its corollary, access for a large majority of the public to essential services, in particular education and health.

Preventing social exclusion, establishing a bond of trust between employers and employees, providing access to essential public goods must continue to be, and if necessary become again, the explicit purposes of European social systems. What is more, if we look carefully at tendencies in the countries of the European Union, we can see that this is indeed the objective of current adjustments. There is, however, a price to pay for these adjustments and we must be clear on this point: reducing social exclusion and long-term unemployment will mean to some extent increasing inequality of income between skilled workers and those less skilled.

The explanation for this lies in the time-span: the momentum generated by tertiary sector jobs in Europe up to the mid-1980s has been lost, as it can no longer be sustained by the creation of public-sector jobs; for it to continue there will need to be an adjustment of labour costs concerning levels of skills and productivity to correspond to solvent demand in activities where there are potential openings, including the social and cultural sectors. This adjustment is the price to be paid so that growth will generate an adequate number of jobs.

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Likewise, if we do not want to see even wider inequalities in income and status (precarious or stable) between generations at the expense of the new arrivals on the labour market - which is hardly the way to prepare for the future - then the entire working and retired population must gradually begin establishing a new balance in the financing arrangements for pensions, but without going so far as to abandon a good level of universal pension cover.

In a European context, in accordance with the cultural traditions of each country, these reforms will not mean a return to the «me first» attitudes of the 19th century. As current practices show, the consequences of a wider range of incomes from work (primary income) should be offset by greater solidarity within families and by the redeployment of amounts levied in social security contributions and taxes. In addition, they will have to be accompanied by an accessible and abundant supply of continuing training, on a far larger scale than is available today. This conversion of teaching functions, in particular in the shape of an extension of higher and vocational education to adult training, is probably the keystone to the reform of the welfare state.

This is therefore a genuine strategy of economic modernisation and social justice. The conversion of practices in individual countries is evidence of its feasibility.

Experience shows that the intelligibility and overall coherence of these reforms are vital to their success. This means that sufficient time must be allowed to prepare and discuss them. This time may be as much as a number of years, to enable us to measure the overall logic and the fairness of the efforts which will have to be made. As the Nobel Prize winner, Amartya Sen, has pointed out, the main challenge for political leaders in Europe, whatever their party, is to make people aware of the social implications of greater individual autonomy - both for those in work and for those not in work - in the context of a society which demands a great deal in terms of solidarity, and to make people accept these implications.

Jérôme Vignon —■

## Our symposium

### FIGHTING AGAINST RACISM AND XENOPHOBIA : WHAT ROLE FOR THE EUROPEAN UNION ?

The 15<sup>th</sup> European «Carrefour» on Science and Culture took place in Marseilles on the 23-24/11/1997 in the presence of Pádraig F, Member of the European Commission in charge of «Employment and Social Affairs», in cooperation with the city of Marseilles.

*We reproduce part of the starting lines. In the next issue, we intend to publish an article summarising the content and the conclusions of the debate.*

The Amsterdam Treaty contains a provision allowing Community bodies to «take appropriate action to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation» (Article 6a in the EC Treaty). The clause is significant, not only because it will provide improved possibilities for combating various forms of discrimination but also in terms of the future development of the Union as a democratic polity, as it states for the first



time in a «constitutional» document that the fight against discrimination on racial, xenophobic or other grounds is a task for the European Union.

This provision must be taken in conjunction with another major innovation in the Amsterdam Treaty: the declaration that the existence and character of the Union are based on «the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law» (Article F of the TEU) and that a «serious and persistent breach» by a Member State of these principles may lead to membership rights of the State in question being suspended (Article F 1 of the TEU).

This constitutes formal and direct (rather than derived) recognition that the actions of the Union should be informed not simply by respect for human rights but equally by proscription of racism and xenophobia. Until now the Treaty provisions laying down the legal basis and justification for responsibilities and appropriate action in this field dealt only generally with respect for human rights and made no specific reference to racial discrimination or acts stemming from xenophobia.

Justifying the powers of the Union and its institutions in this way by no means calls into question the responsibilities of Member States, regions, municipalities and local authorities. The principle of subsidiarity can clearly be applied, meaning :

- that the responsibilities must be exercised at every level on a practical basis, making use of the available means and options; and
- that these responsibilities must be exercised at the various levels in such a way as to dovetail and support each other.

A remarkable and positive indication of an emerging European Civil society and of the

strength of the relatively young transnational democracy in the European polity can be seen in the fact that the most important initiatives leading to the Union's active involvement in combating racism and xenophobia have come from NGO's through the European Parliament: the Evrigenis Report (1986) and the Ford Report (1990) contain all the relevant proposals, together with a large number of recommendations that will need to be followed, by both European institutions and Member States.

Quite apart from any formal conditions, however, both the Union's responsibility and the justification for its involvement in matters of racism and xenophobia derive directly from the *raison d'être* of the European unification process, which has among its ideal aims the institutionalisation of peace, reconciliation, tolerance, solidarity and justice in a supranational or transnational public sphere. The intention of this process is respect for others, for neighbours and for foreigners, based on a position of self-confidence. The resultant trust in others will then provide the basis for a willingness to work with these others to build a community.

Both in the fifty-year history and, logically, in the founding Treaties of the Community as well as in its most important activities it is possible to detect an ethos behind the policy of unification which stands in stark contrast to all racist and xenophobic sentiment, thoughts and gestures. Xenophobia and racism are in fact the negation of this ethos and therefore of the ideal basis for the European Union. This is why combating racism and xenophobia means defending the roots of its identity.

Moreover, there can be no doubt that there is a European, transnational dimension to racist and xenophobic phenomena. Although form and intensity may vary, no Member State is immune. This is why we need common responses that are coordinated, if nothing else.



The European institutions have been accused of accentuating the virtues of free competition and of developing a blinkered vision of the economy, dominated by individualism, utilitarianism and, ultimately, conflict between individuals. Some observers of our modern society are of the view that it is this utilitarian, materialistic vision which, by bringing individuals into confrontation with each other, is now filling up our prisons, exacerbating social conflict and ultimately fomenting racism and xenophobia.

There is little justification for levelling such criticism at the European Union. From the very beginning, the construction of Europe

has striven to unite the dynamic forces of the market with accompanying measures to create a balanced society, following the ideal of the European social model. The causes of discrimination and intolerance lie far deeper than the building of Europe; racism and xenophobia existed long before. This means that we must intensify our efforts to identify causes - indeed, this should be one outcome of this European Year against Racism and Xenophobia.

Thomas JANSEN —■

## Our Studies

### GLOBALISATION AND THE EUROPEAN MODEL OF SOCIETY

**T**he process of globalisation creates new opportunities for increasing production efficiency and standards of living. At the same time it produces calls for new mechanisms to ensure a fair distribution of the gains and the protection of basic values. Some of these mechanisms will continue to work within the nation state, others will require countries to get their act together at regional or even world level.

Three interrelated problems need to be taken into consideration when discussing the impact of globalisation on European societies: the cost of adjusting to change; the role of rules and standards reflecting the European model of society; the relation bet-

ween the European view on basic values and standards, especially on labour and the environment, and economic integration with the rest of the world, particularly the developing countries. For these issues, the World Trade Organisation must be a major institutional framework.

### THE COST OF ADJUSTING TO CHANGE

**G**lobalisation means bigger changes in the specialisation of labour and industry as the number of competitors and potential competitors expands world-wide. The costs suffered by workers and firms hurt by the changes can be compared to the costs encountered each time an old technology is superseded by a new one. The economy as a whole receives a net benefit. But the distributional consequences for those affected - who have to make way for new products and ways of doing things - can be painful. All the more so if the change works at the disadvan-



tage of the less endowed in terms of skills and capital. Social costs in terms of higher unemployment and/or other forms of social malaise can also be important.

All this argues in favour of policies - both at national and European level - designed not only to give some compensation to those hurt by change but also to make change less painful by encouraging continuous adaptation. The schemes for income protection and redistribution that exist in each country belong essentially to the first type of policies. But the European Union has an important role to play when it comes to industrial/regional adjustment to external competition. By insisting on compliance with market opening obligations, both in the Single Market and at world level, the Union avoids the risk that European societies take the easy but ultimately self-destructive route of resisting change. European competition policy, especially concerning state aids, serves the same purpose. At the same time, the Union has at its disposal, through the structural funds, an important instrument of adjustment to external competition. The existing distribution of resources could be changed: less resources for measures taken after the event in response to a crisis situation, more resources for forward-looking adjustment and prevention, including measures to improve the functioning of the labour market.

#### **THE ROLE OF RULES AND STANDARDS** \_\_\_\_\_

**G**lobalisation is sometimes seen as a relentless force compelling countries to adapt their institutions and rules to the standards of their most cost-effective competitors. Values that are at the basis of the European model of society, such as dignity of the individual, social solidarity and respect of the environment, would be sacrificed in the process as the institutions and rules

built to defend them have to give way under the pressure of competition. This view must be rejected.

There is no single set of standards that is good for all countries, irrespective of their level of development and social preferences. European regulations, such as those intended for the protection of workers' health, consumers' safety or the environment, are essential features of the European model of society, besides reflecting our levels of productivity. They can be seen as determinants of costs in the same way as natural resources or levels of technology. It is natural that the specialisation of European industry should follow from the possibilities set by these standards - for example less pollution-intensive industries and more high-quality productions.

#### **EUROPEAN VIEW ON BASIC VALUES** \_\_\_\_\_

**D**ifferences in standards are not a reason for penalising the free flow of goods and services as a means of compensating for the cost of imposing more stringent requirements - for example in social or environmental matters - on domestic industries than those supported by foreign competitors, particularly developing countries.

Trade liberalisation is one of the engines of economic development. This, in turn, is a necessary condition of social progress. In dealing with the issues of labour and environment standards and international trade one must never lose sight of the long-term aim: to help the developing countries create the requisite conditions for promoting growth and living standards. This means allowing them to make the most of the comparative advantage derived from the access to large, low-wage labour forces and to deploy their scarce capital to its most immediately productive uses.



The international community has a right and a duty to be concerned with the respect basic human rights of people at work. For the European Union this concern is incorporated in the objectives of its establishing Treaty. An equally well-founded international concern is that for the environment and especially the global commons.

Multilateral Environmental Agreements form the core of international environmental law, translating into practice the fundamental obligation to conserve, protect and restore the health and integrity of the earth's ecosystem.

In the social and political area, a number of International Labour Organisations conventions allow to define a set of core labour standards: prohibition of forced labour, elimination of exploitative forms of child labour, freedom of association and collective bargaining, non-discrimination in employment.

Links between trade and environmental and labour standards cannot be ignored. They are already evident in existing international agreements and in practices and codes of conducts spreading in the private sector. For example, the Montreal Protocol on ozone depletion restricts trade in certain substances and also allows for these restrictions to be applied to countries that are not parties to the agreements. The accords setting up the North American Free Trade Area provide a mechanism for the sanctioning of violation of basic labour standards. The practice of «eco-labelling» and «social labelling» are spreading in the industrial world with potentially significant effects on trade.

The conclusion of the Uruguay Round with the creation of the World Trade Organisation opened a new era in international economic integration.

## THE UNION'S ROLE WITHIN THE WORLD TRADE ORGANISATION

The WTO provides an institutional framework for the discussion of every aspect of trade. One of the first steps was setting up WTO Committee on Trade and Environment, with the task of looking at the relation between multilateral trade rules and the legal instruments for the protection of the environment. The idea, supported by the European Union, of a WTO working group on trade and labour standards aims at placing the discussion in a multilateral framework and thus preventing the occurrence of unilateral measures that would destabilise the trading system.

But the review of trade instruments in their relation to the environment and labour standards should not focus on the aspect of sanction. Positive incentives and private sector initiatives must play an increasing role. Specific recommendations include:

- The European Union should use its full weight in the WTO to arrive at the adoption of clear and predictable rules for the use of trade measures taken in accordance with Multilateral Environmental Agreements;
- The European Union should insist on the establishment of a WTO working group on trade and labour standards to discuss ways of ensuring the compatibility between unilateral, bilateral and plurilateral measures on trade and labour standards and the rules of the multilateral trade system;
- The European Union should establish programmes of financial and technical support for companies in developing countries working on improving the environmental impact of their activities in cost-effective ways;



- The European Union should encourage the adoption by multinational firms of codes of conduct relating to labour and environmental standards applied by their subsidiaries and their suppliers.

Lucio PENCH /Alexis JACQUEMIN —■

### RESTORING COHESION IN A POST-INDUSTRIAL SOCIETY

**W**e are in a period of uncertainty associated with the crisis affecting the basic tenets of industrial society. The loss of these basic tenets is evident in the distress caused by mass unemployment: traditional measures (action to stimulate the supply of employment) have not checked the growth in unemployment, which is no longer regarded as a cyclical imbalance. The mechanisms and institutions for regulating social relations (labour law, social protection systems, social dialogue), set up at a time of full employment and contracts of indefinite duration, seem to be less and less effective. Some writers, mainly philosophers and sociologists, consider that mass unemployment is an indication that society is moving into a post-industrial age which will no longer be organised around work.

#### SIGNS OF CHANGE

**T**he development of information-based enterprises linked together by networks is accompanied by the breakdown of the working community; pyramidal and static structures are giving way to flat organisations in concentric circles. A permanent work-force exists side by side with occasional

workers at times of peak demand, within a halo of sub-contractors who increasingly carry out related activities (marketing, legal consultancy, etc.) The need to be able to react and adapt to new forms of competition requires this decentralisation found in greater work flexibility.

- All these differences in status have an impact on the feeling of belonging at work. Growth in the number of interdependent firms and very small firms, the creation of temporary teams for common projects dilute the concept of working conditions. Traditional bargaining areas (wages, working time, etc.) no longer make sense when working careers do not evolve in a single firm. This raises the question of mediation and social dialogue in the world of work: the emergence of flexible careers makes nonsense of the idea that protection comes with a regular wage, and calls for the drafting of new legal contracts.

- The relative scarcity of indefinite contracts (in 1995, 50% of workers starting new jobs in the Union were on fixed-term contracts) is a growing source of insecurity for household incomes. The greater risk of insecurity leads to mobilisation of the family unit with the creation of a portfolio of activities combining salaried work, both legal and illegal liberal activities (the underground economy) and a commitment to voluntary work in the local community to give meaning to life. The growth of voluntary work and associations is an encouraging sign of the vitality of solidarity at grass roots level, offsetting the perceived growth of individualistic values. The question is does this movement represent a weakening of global solidarities (withdrawal reflex) or is it a move towards more autonomous and active behaviour. The Local Development and Employment Initiatives would suggest the continuing vitality of active citizenship bypassing the economic and



employment aspects to develop new types of organisation to strengthen common values. The distinction between market and non-market tends to fade.

Leaving aside the area of sociological and philosophical analysis to enter the political field, the industrial model retains its grip. A number of considerations regarding the reform of social protection are firmly rooted in a traditional scheme for public adjustment of the labour market. Some favour a radical break with existing solidarity systems, by delinking employment and income. They propose the redistribution of work as a way to combat mass unemployment and outline a blueprint for society on this basis. The future of work and social protection eventually comes up against the question of redistribution and solidarity. The collapse of our reference models calls for an offensive approach. To counteract the tension and anguish aroused by reform of symbolic institutions calls for a positive understanding of the future, which can only be brought about through political debate.

## REORGANISATION OF EXISTING ARRANGEMENTS

**W**orking careers are no longer linear: periods of work alternate with periods of training, unemployment, voluntary work or self-employment, or inactivity. Legal frameworks should be adapted to flexible careers.

The proposal by the Boissonnat<sup>1</sup> group tends in this direction with the concept of mutual internal flexibility: wage-earners would conclude a multi-annual contract with a pool of firms guaranteeing workers periods of paid work alternating with breaks for training or inactivity.

Flexibility is a right that should be available not only to firms but to workers as well, enabling them to be released from the tradi-

tional ties attached to the status of employee. Self-employment, or provision of services for a fixed duration should not lead to greater insecurity. Some lawyers propose formulating social drawing rights (training credits, time saves) to ease transition on the labour market.

There are two ways to activate passive expenditure:

- monetary incentives enabling rights to be used to pay a bonus to the employee or the employer in the event of a return to work. In most cases, it would have a short-term effect on demand for work, with a limited windfall effect, and would not bring about any structural change in the labour market;
- action on the supply side by improving employability, or in extreme cases checking that jobseekers are genuine (workfare). The Danish job rotation system is an effective promotion measure enabling certain unemployed workers to replace workers in training: an agreement with the employer determines training needs and the period of replacement. Vocational training and improved employability of unemployed workers are combined, and with satisfactory results.

The idea of using social protection instruments to make the labour market more flexible implicitly recognises the validity of the job search theory, which maintains that a generous system of compensation encourages idleness. The «voluntary unemployment» diagnosis is a strictly economic hypothesis, difficult to accept in practice. The public authorities can have an effect on the employability of the unemployed, but they will not eliminate the greater insecurity. A 1992 study showed that in seven European countries, there was one full-time worker in nearly 40% of poor households (below 50% of the average monthly income).



## DELINKAGE OF EMPLOYMENT AND INCOME

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**P**roponents of the universal allowance want to reorganise solidarity systems by shifting the focus away from the struggle against relative inequality to the struggle against absolute inequality. Social exclusion is the only risk to be combated: the general and unconditional distribution of a guaranteed minimum income would be an effective lever, making work flexibility acceptable and constituting a safety net for the most vulnerable.

These proposals have not been tested by any real economic evaluations, but they have some political appeal for a certain audience. Based on the assumption of uncompromising individualism and inspired by John Rawls' *Theory of Justice*, they rule out any measure which smacks of a collective will: by limiting social policy to monetary distribution, they appear to regard *laissez faire* as a means of emancipating individuals. They assume socialisation is complete and confine «welfare» to a market-support function.

## A PROMISING AVENUE: REDUCTION OF WORKING TIME

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**S**ome Europeans think that a massive reduction (>10%) in working time would be an effective means of combating mass unemployment.

Two methods can be distinguished by the degree of public control on economic operators.

- Michel Rocard thinks that adjusting the level of social security contributions in line with average working time, applied to all firms, with no strings attached concerning recruitment, would be an incentive. Companies would naturally opt for a reduction in social security charges

through a reduction in working time and new recruitment. Public expenditure on employment (unemployment benefits, training, etc.) would be used to finance this cut in charges and to maintain wage levels.

- Pierre Larroudurou believes a tit-for-tat agreement between public authorities, firms and employees is needed: net wages would be reduced by 3% to 5% and employers' contributions by 8% provided they took on 10% more staff. The Robien law adopted in France in 1996 permits this type of bargaining.

Recently, the OFCE<sup>2</sup> estimated that general application of the Robien law, including in the public sector, would lead to the creation of 2 million jobs in France. The report concluded that the reduction of working time would be more beneficial generally in terms of jobs and well-being than would a general drift under the pressure of unemployment to involuntary part-time work. The OFCE tends to favour the conditional option: the Rocard project would be effective only for the lowest paid, and the lack of public control might lead to fraud.

Leaving aside the technical aspects, the strictly political implications of these proposals should be considered.

Work is still regarded as a fundamental factor of socialisation, the productivist model is not challenged: it would not entail reducing the total volume of work but would include more people in the production process. If a reduction in working time is to succeed it will need the collective mobilisation of employers and workers: a decline in real wages, however small, and extensive utilisation of capital, leading to the extension of non-standard forms of work would be needed to maintain or increase business competitiveness.



Such a breach in the traditional organisation of work highlights the need to limit the social costs of flexibility. The Volkswagen agreements<sup>3</sup> represent an attempt to increase solidarity within the firm: a shorter working week is only one aspect of a more comprehensive social policy aimed at promoting responsibility, initiative and loyalty among workers, members of the Volkswagen family. By guaranteeing workers a stable but extended work relationship (periods of training, early retirement, sabbaticals) Volkswagen has made more flexible working hours acceptable. In this example, the size of the firm certainly facilitated risk-sharing; application to associations of small businesses is an avenue to be explored.

A reduction in working time is consonant with the European model of society: it makes it possible to avoid flexibility in the form of involuntary part-time work, and to organise flexibility and to bank on the value added of a highly talented labour force. It implies new ideas about labour relations, involvement in the firm and social dialogue. Reducing working time does not mean severing the link between income and employment and accepting free-for-all market operation, by offering minimum security. What it does mean is providing support while loosening the exclusive link between full-time work under an indefinite contract and security. Perhaps the proposals for cuts in working time are unwittingly the first step towards the post-industrial society.

## OPEN QUESTIONS

**B**oth sets of proposals call for redeployment of public expenditure as the main means of financing the reform. The distribution criteria are changed while the budget remains the same: there is no question of increasing income distribution. All proposals operate against a backdrop of completing EMU and observance of the criteria for macroeconomic equilibrium.

If new redistribution methods are to be defined, thought will have to be given as to how solidarity is to be financed. There is a degree of consensus on lightening the burden of taxation on work, but alternative sources of financing solidarity systems are not clearly defined. Several possibilities are raised: tax on pollution, consumer taxes, Tobin taxes on capital flows.

Implementing these reforms, which move away from traditional redistribution methods where full-time work under indefinite contract was the basic tenet for the distribution of wealth, calls for a European and political debate. Political endorsement is urgently needed since the break with the model of industrial society has in fact occurred<sup>4</sup> but has not been taken into account by our redistribution systems. The preponderance of the post-war mentality with regard to social protection and attachment to the welfare state may account for the inertia.

Today it is essential to adapt our redistribution systems further upstream to the new given of work flexibility, otherwise, our model of solidarity and cohesion will do no more than accompany market changes without being able to protect our societies from increased insecurity.

Marjorie JOUEN  
Isabelle PERGUILHEM

<sup>1</sup> J. Boissonnat (dir), *Le travail dans vingt ans*, Odile Jacob/La Documentation Française, Paris, 1995.

<sup>2</sup> Observatoire français des conjonctures économiques, letter dated 31.1.1997.

<sup>3</sup> P. Hartz, *The company that breathes - Every job has a customer*.

<sup>4</sup> In France in 1990, only 64% of the taxable income of households came from wages and salaries.



# Miscellaneous

## INTERVIEW

**W**e are reproducing part of the interview with Jérôme Vignon, Director of the Forward Studies Unit, which appeared in «Commission en direct» No 68, 9 to 15 October 1997 (European Commission in-house weekly)

**- What does the Forward Studies Unit do?**

It helps to guide the thinking of the Commission - the Members and the departments - on the major challenges of European integration, the obstacles confronting it and the opportunities open to it, always with an eye to the future, or in other words «looking to the future so that we can act more effectively in the present». It is not a case of sketching a brilliant or disastrous future for the sake of it, but rather seeing what in the future can be influenced by our action today in order to realise our European ideal. At the same time, we monitor and assess the European integration process, because in order to project ourselves into the future, we must first understand where we are and where we have come from.

**- Do you have scenarios for the future?**

We are experiencing a major historical change in European integration which may lead us down different paths. A scenario simply involves establishing a link (or illustrating coherent perspectives) between, on the one hand, the institutions, the law and the texts which they produce, and on the other hand, developments in European society. While we «are building Europe», Europeans are on the move. The Europeans of today are not the same as those of fifty years ago nor of May

68. It is a new generation. We must share the European project with them.

**- What does the future have in store for us?**

Perhaps it will reveal that Europeans have been capable of inventing their own response to a problem common to the whole world: how to keep one's cultural identity and at the same time adjust to the modern world, i.e. the technological revolution. In a way, building Europe is being able to find one's own direction, something, I feel, that is no longer possible at national level.

**- Do you feel frustrated because your ideas are not always taken up?**

No. I must say that this Commission is exceptional in that it is very decentralised. There are various sub-groups, also many other think tanks and similar units in the Commission. I think that what is essential in the transmission of ideas is that they should be shared by a fairly large number of Directorates-General. When an idea gains acceptance, the battle is won. The problem is not to know who launched it. People do not recognise to what extent the Commission is a place for pooling a great deal of thought. Indeed, it is an enormous think tank as was revealed to us in a study made by anthropologists.<sup>1</sup> They showed that the Commission is not only the bureaucracy which one sees and imagines but also a place where people are uncertain and try to justify what they are doing by holding discussions between themselves.

**- What are your projects for the future?**

They revolve around European citizenship. I believe that that is what is most lacking. Perhaps not a citizenship which adds rights



to what people enjoy already, but a participating citizenship. We must act to ensure that more people from all the European nations, in particular the new ones, feel involved in European integration. I feel that the forward-oriented approach, just by looking at the scenarios and the future, makes it possible to say that the future is bound up with Europe.

<sup>1</sup> «Approche anthropologique de la Commission Européenne», a report drawn up by Marc Abélès, Irène Bellier and Maryon McDonald, December 1993.

## NEW PUBLICATION

**A**lexis Jacquemin/Lucio R. Pench (eds), «Europe Competing in the Global Economy. Reports of Competitiveness Advisory Group» with a Preface by Jacques Santer, Edward Elgar, Cheltenham (UK)/Lyme (US), 1997.

The objective of the book is to set out the main challenges of European competitiveness and how to respond to them. It seeks to identify what must be achieved to mobilise and valorise Europe's potential, to raise living standards and to maintain social cohesion.

It puts together the Reports of the Competitiveness Advisory Group (CAG), an independent group of leading Europeans in

the fields of business, trade unionism and politics, charged with advising the European Commission and the Member States on how to improve European competitiveness. The CAG was appointed by President Santer at the beginning of 1995 with a two-year mandate. It worked under the chairmanship of Mr Carlo Ciampi, former Prime minister of Italy and, subsequently, Mr Percy Barnevik, chief executive officer of Asea Brown Boveri (ABB). Following the successful completion of its mandate a new Competitiveness Advisory Group was appointed in 1997 with Mr Jean-Claude Paye, former secretary-general of the OCDE, as its chairman.

Subjects covered in the Reports - originally submitted to the European Council in 1995 and 1996 - include: changing role of government in the economy, the learning society, employment and competitiveness, and Europe's place in the global economy.

Distinguishing features of the Reports are: the social dialogue, character of the recommendations and the «bottom-up» approach, seeking to draw lessons from the experience of individual countries, industries and firms.

Alexis Jacquemin and Lucio R Pench of the Forward Studies Unit - both of which have been closely involved with workings of the CAG, as President Santer's representative and secretary of the Group, respectively - have provided a general introduction. It provides a critical examination of the concept of competitiveness, a typology of factors influencing it, and a review of recent reports on competitiveness in Europe.

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Design and layout:

Graphic Art Pattern ■ Liège

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*Cette publication existe également en français.*

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Fax : 00 32 2 - 295 23 05