

A social agenda for a competitive and interdependent Europe

1. Why a social ambition?

Europe must continue to build itself on its values over the last fifty years.

Its competitiveness and capacity to maintain its position of great economic power holds the live balance which it has known and yet to find between the economic dynamism contributed by the domestic market and the development of new technologies and on the other hand the solidarity between its citizens and its workers.

In the second half of the 20th century, our region is the only one in the world to have relied on the same plan, supporting and enriching each other, towards the search for competitiveness and economic progress and the development of powerful instruments to protect the weakest and the solidarity between the citizens.

With the beginning of a new century, the world is changing rapidly, by globalisation, a new international division of work, development of new economic powers. It is not the time to give up or to take a timid position. The citizens of Europe must rely on their capacity to get the best from this new context, instead of withdrawing itself in a climate of distrust and concern. For that, the States which form the European Union must be able to generate this confidence and implement everything possible so that Europeans know that the values of solidarity to which they are attached will be preserved more than ever. The European Union should not be perceived by its citizens as a single distinct market, as the business of sole companies, but as their business together, as a proof of economic and social progress.

This is being communicated in a moment of transition. In 2009, new European institutions will be created. Elections to the European Parliament and the renewal of the Commission will generate a change in the operation of the European authorities. In theory, 2010 marks the beginning of a new strategy intended to take over from the Lisbon strategy. Hence the agenda offered here has a double scope: it relates to actions over the coming two years and opens prospects for the next decade.

The four factors of a new environment

The economic strategy of the Union which will follow the example of the Lisbon Strategy must be thus accompanied by a coherent whole of social programmes in the fields of employment and social solidarity. When the Lisbon strategy was developed at the start of the decade, certain developments had been underestimated or, at least, the Member States had not sufficiently considered the scope of the transformations to come and their social consequences. The Union must adapt its development model to new challenges which it meets: better it can understand and integrate these challenges, better it will succeed with changes necessary for of its company.

Globalisation

Firstly, the speed of entry of new players, economic development of large countries and their impact on international trade or the circulation of capital often involved painful changes of the productive system of the EU countries. This development will show its acceleration effects only in the next decade. The social impact is considerable. Member States of the Union will have to implement new Employment Policies, develop technological innovation capacities and qualifications of their workers more rapidly, set up devices enabling regions affected by the economic restructuring to successfully implement the necessary turnarounds. The European Union naturally must intervene on the evolution of competences, on the one hand, and on assistance to workers touched by the relocations on the other hand: while globalisation has an overall positive impact on the development and dynamism of the European economies, the maladjustments involved in the new international division of work must also be addressed.

Faced with the development of the economies of the emerging countries, the Europeans must react positively without giving up their economic and social system. The “European social model” must certainly adapt (by giving a greater scope for individual and collective liability of citizens and workers and for all devices of social inclusion), but it must continue to be based on the same principles and the same values; it must make these principles and values known to the rest of the world. The European social model is based on the will to simultaneously promote economic performance and social solidarity: these are not antagonistic but on the contrary they support each other. The European social model is also based on democracy and the dominating scope of the social dialogue in determining the economic and social choices at all levels - the company, the territory, the State, the Union.

The Union must go beyond these roles of defending and evolving its social model; it must be an effective world player, within the ILO and in the trade negotiations so that all the countries of the world respect the standards and the values which ILO defends. As the Commission recommends, co-operation with ILO must be reinforced and developed to promote the agenda for decent work approved at the international level.

Globalisation is a fact of the day: no one can escape it; the economic and social policies of the Member States must take into account this phenomenon as a whole. The economies of the Union must adapt to a new international division of work. This calls for a new economic strategy following that of Lisbon, based on research, information, grey matter; a strategy well integrated and understood by the European citizens thanks to an appropriate social policy and an effort to explain and communicate; an offensive economic strategy balanced by measures alleviating the consequences of brutal restructuring movements on employment, income, residence and workplace.

Population

Secondly, the European Union must cope up with a major demographic change. Europe will witness - in some of the Member States this already happening – a declining population. The age of the active population is decreasing. The proportion of old people is increasing quickly through the dual effect of declining fertility and greater life expectancy.

The decisions to be taken are of several kinds: on the one hand it is advisable to increase the rate of activity, which will involve incentives measures to return to employment, professional integration of youth, and maintenance of seniors in employment. Many Union countries must take measures seeking better conciliation between family and professional life. In addition, the expected increase in the number of elderly dependants calls for specific policies in this field.

Finally and above all appropriate policies must be laid down to receive immigrant workers within the European framework.

Diversity

Thirdly, within European society, citizens today pay greater attention to respect differences, diversity of the citizens, policies of struggle against discriminations of any nature. Whether it is professional equality between the genders, the inclusion of people of foreign origin or the accesses of handicapped to employment and services, the efforts to be made are many and considerable and concern all the Member States. This is an essential element of the European model, because it relates to the promotion of equal rights of citizens.

Sustainable development

In the coming decades, another factor will strongly emerge, which does not perhaps call for new policies at this time, but which implies in-depth studies to be carried out to prepare future policies: policies for transformations of the economy - processes of production, contents of consumption, transport conditions, etc - because of natural environment considerations, the fight against climate change, energy-saving and the development of renewable energies. The economic transformations will necessarily have social consequences, as regards employment, localization, purchasing power and spending patterns.

Already, the rise of oil prices has exerted pressure on the incomes of households and measures are being taken in many countries to avoid greenhouse gas emissions: since 2008, important changes have been envisaged.

The Union must anticipate the effects of climate change, policies to combat carbon emissions and new energy policies on employment and the incomes of the European citizens. In the next two years and before the strategy to follow on from the Lisbon strategy, in 2010 is defined, a substantial work of analysis and dialogue will need to be carried out to specify the links between these new conditions of sustainable economic development and the conditions of living, employment, income, consumption, and solidarity.

2. Axes of a renovated social model

The “European social model” needs to change without compromising its values of solidarity. Several lines of approach are adopted today by the Member States, and the Union as a whole must take these approaches into account.

But before even specifying the fields in which specific progress is possible and desirable, the institutions of the European Union should know that, prior to any decision concerning the evolution of the Union, in fields as different as the domestic market, research, education, environment, foreign trade, justice and civil rights, an impact study will have to be carried out to measure the social consequences of the decisions taken. This is the object of the ***horizontal social clause*** registered in the treaty in the course of ratification.

The Commission has set up an “*impact assessment board*” which assesses the social, environmental and economic impact of all its proposals. The Council can thus request from the Commission an annual report on the implementation of the horizontal social clause, i.e. on the contribution of Community policies of any nature to the objectives of employment and social cohesion.

The progress already achieved in the social field by the Union is little perceived by European citizens. One of the objectives of the effort carried out in 2008 to re-launch the European social agenda could be to communicate better on what has been accomplished and what is in progress. Perhaps an effort of semantics will suffice to put across messages perceived today as very technocratic. The word “Erasmus”, for example, strikes an answering chord in a way that is unequalled in other quality programmes of the Union.

2.1. Return to employment

2.1.1.

The first line to pursue is the return to employment. In the Lisbon strategy, ambitious objectives have been laid down in this field and, above all, the objective of an employment rate of 70%. The return to employment policy methods are of several types.

Firstly it relates to developing service systems for people without employment so that they are encouraged more than before to take up or resume employment.

It relates to simultaneously setting up or rendering more effective the public services of employment, acting directly or relying on partners, in assisting job applicants.

It also relates to improving the conditions under which school and university drop-outs orient themselves towards employing sectors.

Finally, it relates to not being satisfied with “more employment”, but also seeking “better employment”. By all means employment for all, but quality employment: such is the choice of the European Union.

It relates to rendering effective and operational, where not enough exists, vocational training programmes within the framework of a life-long education policy.

All the Member States have set themselves such objectives, but starting from widely divergent situations, traditions and organizations, they have embarked on fairly varied specific actions, always with a combination of the various previously mentioned various axes but different degrees of emphasis. The European Union, while recognising this diversity, must nevertheless integrate in its common principles and recommendations, this willingness to make the welfare system of the unemployed an active system of incentive to return to employment accompanied by resources necessary in assistance, vocational guidance, training services (even other services necessary for proper integration such as housing, health, transport or credit).

2.1.2.

“Return to employment” relates more particularly to certain categories requiring suitable policies.

The integration of young people is difficult since educational institutions and employers are loosely linked. In a field where the Union has shown its effectiveness, in particular through programmes such as Erasmus, the Member States could expect from it the definition of common principles of action. The Commission could, as of 2009, publish a communication on the developments to envisage of the MOC on youth with particular emphasis on those least equipped for employment.

The employment of seniors raises questions of a different kind. It relates to encouraging employers to continue to employ people who have reached an age usually considered as the retirement age, to deal with the question of the working conditions and the functions

appropriate to seniors, and to set up pension systems which encourage maintenance in employment (calculation of taxes and possibilities of accumulation). Here again, the Member States have widely different points of departure; but the principles are the same and the discussions profitable.

The unemployed have very often given up their jobs for a replacement income, of French (RMI) welfare type, or comparable to that received by handicapped people. Many Member States have embarked on personalised assistance policies, in connection with the departments which offer social security benefits and with the social workers, and return to employment for these people (as in France, the Active solidarity income being experimented). This policy could be encouraged by the Union, since it meets both the need for increasing the rate of employment and offering assistance to the most deprived people. Beyond the measures to be taken for active inclusion, the Union could set the principle of a second chance for those dismissed from work, as a right recognised at European level.

On these categories, *new common quantitative objectives* could be laid down at Union level, and then adapted to the specific situation of each Member State.

2.1.3.

Encouraging *female activity* as well as the willingness to facilitate births and education of children must result in measures concerning family allowances intended to improve the financial standing of parents, and parental leave, which is subject to an agreement concluded between the European trade unions and management, the revision of which is on the agenda, and especially by developing early childhood services - cribs, nursery schools, elementary school and childcare. Noting that the policies led by the Member States in this field are different, the Union could on this point define common principles and organize exchanges via the open method of coordination.

A sustained effort to facilitate the *conciliation between family life and professional life* would help to promote the female activity rate and professional equality between the sexes, as well as the birth-rate in countries where the fertility rate has fallen sharply and the need to increase equal opportunity for the children. On this point, the comparisons between the policies led by the various countries can be useful, via the "social protection MOC". In this field, France can offer its experience. It can make suggestions in particular relating to the systems of family allowances and the services for early childhood. The efforts towards professional equality between the sexes can be a decisive element: it is a topic which has been subject to negotiations and directives which could possibly be re-examined and improved. For example, the directive on parental vacation and for family reasons.

This action is integral to the will of the Union to implement everything possible *to support equality between men and women*. The Commission will present in 2008 an evaluation of the results on the equality of the sexes with the intention of offering a continuation of the strategy on this question after 2010. It relates to an essential value of the Union, which results in community and national legal measures. It is important that the experiences shared in this field are developed, the objective being to reach the best levels of access to rights and opportunities for Europeans and to move towards an equal pay.

2.2. Flexicurity: possible bases of a new social contract.

2.2.1.

The responsiveness of companies in the globalized economy, marked by intense international competition, a very rapid evolution of the international division of work and the appearance of new technologies, is an imperative which the European Union cannot escape. Thus production systems must be flexible, but legal and economic conditions of workers must be modified in such a manner that the flexibility of the companies does not result, as is too often the case today, in a lack of job security. To put it more simply, the legislation and practices as regards industrial restructuring, often developed in the context of more stable economies, must be adapted to the economic world of today so that workers are well protected. When jobs cannot be protected, the worker should be protected. Thus the European Union will remain true to its values: when closing a factory site, a company or reductions of manpower are inevitable, everything possible must be done to help workers find employment immediately. This is of course partly the worker's own responsibility but it is, above all, the responsibility of the public authorities and the employer.

The European Commission entrusted Mr. SPIDLA, Commissioner in charge of Employment and Company Affairs and to Mr. LARCHER, Senator, former French Minister for Education and Employment, with a study mission on "flexicurity", consisting in promoting the suitability of the new flexicurity principles adopted at the end of 2007 by the European Council. Unions and management are recipients of this mission. The word "flexicurity" implies situations or projects different from one country to another, in the light of their history, their traditions, their labour law and the administrative organization of their labour market management services.

The Union must clearly affirm that it takes into consideration the unstable character of most jobs in a period when technological development and upheavals in the international division of work require great flexibility from companies and thus employment in these companies, and that it considers vital for the stability of the company and necessary for the dynamism of Europeans that this flexibility is accompanied by a collective effort to ensure the fluidity of the labour market, the maintenance of the rights of workers in the event of change of employment and efforts to adapt and train which the workers cannot take on by themselves without the commitment of the employers and the authorities.

The 4 components of flexicurity and the eight principles such as adopted in the Community plan should be applied in the various Member States: reliability and flexibility of contracts, life-long training, active policies of employment and modernization of social security systems.

This could lead to reforms of the labour market respecting the specificities of each country, which could inspire the agenda for the years after 2010. If the Union succeeds in showing that flexicurity does not mean increasing flexibility and thus the lack of job security without safety compensation for the workers, but rather the combination of new measures making it possible to improve safety and flexibility for the mutual benefit of companies and workers, then the definition of common principles could constitute a new community method, and an open method of coordination, taking properly into account the heterogeneity of the situations

of the States and integrating unions and management as well as the States, upstream during the preparation, and downstream while implementing.

Moreover, flexicurity involves several types of action by Member States.

2.2.2.

Labour law

Firstly, it must lead to modifications in the labour law. To this end, the French employers' and trade-union organizations signed at the start of 2008 an inter-professional agreement modifying the legal conditions governing the employment contract. In the other EU countries, modifications of the law could be necessary, differing from one country to another, with the objective of simplifying the breach of the employment contract but at the same time submitting it to new conditions. It is not up to the European Union to define the bases of the national laws in this field, but earlier work provides common principles to be specified.

The directives on ***temporary work*** and the ***working hours*** are currently - and have been for a long time – held up. Ministers discussed this question during the last informal EPSCO meeting. The directives must necessarily be adopted before the end of 2008, due to the new schedule of the Commission and the Parliament.

Negotiations for a new regulation for the ***European Works councils*** entered into by the unions and management, intended to improve the current directive after more than a decade of application, proved unsuccessful. This question remains open and will have to be entered in the agenda of the Commission. The Commission could however make a presentation on the trans-national company agreements as well as on the anticipation of the change.

2.2.3.

Public employment services

As shown by the Danish example to which the “flexicurity” expression refers, flexicurity is based on the effectiveness and the performance of the departments responsible for managing the labour market, and the competence to match employment demand and supply. The methods and organizations differ from one country to another, with regard to assistance to job seekers, scope provided to private operators, closer or looser links between the departments in charge of labour market management and social security departments, or even more the degree of decentralisation of the administrations concerned. There can be no question of defining solutions which would be required in the Member States, but this field would definitely benefit from a systematic organization of sharing of experiences.

2.2.4.

New competences for new jobs

All the Member States of the Union are confronted with the difficulty in envisaging the requirements in competences, adapting training and qualifications to a new international division of work and to the fast evolution of technologies. The Union must intervene in the analysis of needs and prospects, insofar as all the European economies have the same requirements and have to face the same evolutions, in numerous fields which are difficult to identify.

This effort towards the development of new competences should obviously not neglect the fact that several manual jobs requiring specific competences, but not mastery of sophisticated technologies, fail to attract applicants today: efforts made on the trends of competences requirements must all the more take into account this type of qualification; shortages exist in many regions of the Union.

One of the fields in which a new policy of sharing could be considered is that of workers and more particularly the least privileged youth. The success of Erasmus could encourage the creation of programmes of similar nature intended for these workers.

2.3. Social welfare and development of the domestic market

2.3.1.

Several recent legal judgments have drawn attention to the possible contradiction between the priority given by the European Union towards a domestic market without any barriers and the need to protect the rights of the workers and their freedom of movement. The debates which have emerged on the “services” directive (in particular in France during the referendum on the constitutional treaty) revealed the very significant character of the question for the European workers and the unions and management.

The Laval, Viking and Ruffert decrees are considered by the European Confederation of the Trade Unions as a serious attack on trade-union rights, insofar as the European law court decided on the different aspects relating to the conditions of application of national collective agreements, supporting in these three specific cases, the freedom of competition on the domestic market with relation to the protection of the rights of workers as defined in the collective agreements. A working group should convene in 2008 to examine the consequences of these court decisions, the mandate relating to the practical conditions of conciliation between the collective rights of workers and the free provision of continuous legislation services and based on the treaty. Beyond this analysis effort, it is more an overall reflection on the conciliation between the collective rights of the workers and the free provision of services that the European trade-union organizations rightly claim. This topic could be reviewed by a ‘think tank’ set up by the European Council.

2.3.2.

The question of *social welfare of general interest* is posed in several Member States, in particular by local communities concerned about the continuity of the services assigned to concerned operators. The topic of social welfare of general interest has raised debates and communications by the Commission, but the legal safety of these services will have to be

improved by emphasising their object of general interest when in contradiction with the freedom of establishment and the free provisions of services, as mentioned in Article 86.2 of the Treaty.

The contribution of these services to social cohesion at the territorial level is essential. One cannot be content just applying the principles of the directive services without examining their organization and financing by the local communities. A specific legal framework is thus necessary, in order to offer beneficiaries and the concerned players, in particular the local communities, a European framework likely to facilitate the development of these services which contribute to raise important social challenges relating to, for example, early childhood or care to dependent people.

During reflections and decisions to be taken at Union level on the SSIG, it is important that the Commission project provides a balance between the legitimate concerns of the general management in charge of the domestic market and the general management of social Business Employment.

2.3.3.

Freedom of movement of the workers within the Union is still hampered by difficulties of coordination between the *social welfare systems* of the Member States. While no-one is thinking in terms of harmonization, the feasibility being problematic, much remains to be done to deal with all the obstacles, relating to for example, access to care and sickness benefit, constitution of pension rights, affiliation of workers on temporary assignment, information sharing between administrations of Member States for purposes of follow-up and control of the insured or welfare income recipients, as well as employers. Several dossiers are under scrutiny, in particular the difficult preparation of a directive on acquisition and safeguarding of private pensions.

Concerning health, the draft directive announced by the Commission on trans-border health care will constitute an important step. Pursuant to the case law of the law court, it is necessary to define a suitable legal framework to match the freedom of movement, the sustainability of the care and reimbursement system and the will to provide information and care. Simultaneously administrative co-operations necessary between the States must be set up. The two paths must then be matched by taking financial responsibility for the trans-border care, as fixed by the directive on the basis of the jurisprudence entered in the settlement of coordination of social security systems.

Relaxation of conditions of breach of contract is compensated by the existence of a system of portability or transferability of rights to cover health care, training and pensions received in a job. The variety of systems of sickness benefits, vocational training and rights to a pension makes it difficult to set up common rules in all the States of the Union. The principle of portability or transferability of rights should be given attention all the more by the Union as the question arises of the consequences of rights of the workers moving from one country of the Union to another. On this point of transferability from one State to another, much remains to be done.

Many dossiers are in progress in this field. The commission must progress quickly with these dossiers. In this field, a question of information arises; citizens having to move from one State

to another or planning to settle in another State are not generally well informed of their rights and duties in the social welfare field.

2.4.Fight against discriminations and poverty

2.4.1.

A recommendation could be offered by the Commission for guaranteeing legal protection and methods of recourse for the **victims of discrimination** on the basis of age, sexual orientation, religion or sex. Extension of protection of rights of the discriminated people must be pursued at European level, based on Article 13, whatever the reason, beyond the directives already adopted since 2000. A commitment in this direction is necessary.

2.4.2.

Measures in favour of access of the **handicapped** to the labour market must constitute a priority of social Europe, not only for reasons of social justice, but also because they form a part of the logic of the objective of Lisbon of an employment rate of 70%. The Commission is considering a directive on non discrimination with regard to handicapped people and accessibility in fields other than employment (housing, etc), based on Article 13. This directive falls under the continuity of the UNO agreement adopted on December 2006 (and which will come into effect on May 3, 2008) aiming at banishing any discrimination based on handicap. The resolution adopted by the Council of February 29, 2008 on the situation of handicapped persons will be extended by a European conference under the Slovenian presidency (May 2008). The French presidency will be able to continue on the same line, in particular during the autumn summit on equal opportunity.

2.4.3.

The specific question of Bohemians, which is posed in several Member States, may be analysed by a group of experts appointed by the Commission.

2.4.4

One of the principal questions which arise as regards respect of diversity is that of reception and jobs for **immigrant workers** and their families. At a time when the European States wish to set up a more aggressive policy vis-à-vis immigration, it is necessary that the policy is accompanied by provisions of reception and integration in order to improve access and participation in the labour market of these migrants and their families, by including housing, social services and education elements. It is necessary to clearly define the principle of non-discrimination (equal treatment), as the European Confederation of Trade Unions requires.

Since 2007, the Commission has taken several initiatives in the field of migrations, a joint council bringing together European Ministers for social affairs and those in charge of

immigration for the first time was organized last December. The setting up of a concerted policy in this field calls for the development of this approach.

2.4.5.

The fight against *poverty* is a priority in the majority of the Member States. On the one hand because there is mass unemployment persisting in most of the Union, on the other hand because lack of job security and development of part time work lead to a multiplication of poor workers. By the creation of an Income of Active Solidarity, the French Government has clearly made active inclusion one of its priorities. The Commission intends to publish a recommendation for the second semester, which would be based on conclusions of the Council and a resolution of the European Parliament. The purpose of this recommendation would be to establish common principles covering the three axes of active inclusion: sufficient aid in respect of earnings to avoid social exclusion, active policies of the labour market and access to quality social services. It is essential to offer support to the European Commission in this measure.

In several countries of the Union, the need for specific policies and ambitious objectives is insisted on with regard to poverty of children. This echoes the will to promote equal opportunity and improve training levels in the future.

Besides, the Union must lay down objectives of poverty reduction. It must also find the means to determine minimum wages adapted to situations of various countries in such a way as to avoid the dumping phenomena related to the development of the domestic market and ensure that this does not involve an aggravation of the job of the workers at the bottom of the scale.

2.4.6.

Owing to demographic trends, all Member-States will have to contend with a rise of *dependence*, which implies considerable efforts to offer the very aged suitable care and support in everyday life, by way of institution or at home. Although this field obviously concerns the individual States and not the Union, it would be advisable to share experiences and affirm a common will since the confidence of the citizens of Europe in the future community will directly relate to the confidence which they will have in the will of the community to ensure an individual future to them in the last stage of their life. This question was integrated within the framework of the open method of coordination and the Member States have started making reports on this topic since 2006. It would be advisable to go further. Besides, France has fought against Alzheimer's disease, a priority in the health domain. A European action plan would be advisable simultaneously aiming at supporting research and improving the support system for victims of this disease.

This issue of the very aged could be considered in a broader manner as an essential element of the new policies to be conducted to organise the inter-generational relations in a society which must re-examine its outdated classification of ages of life, as the NGO social forum suggests. *Inter-generational solidarity* will become an essential concern for all in Europe, considering

the lengthening of life expectancy. Common principles must be established at Union level, relating simultaneously to transfers between generations, questions of employment of youth and seniors, question of employability throughout life and on the question of poverty at the two ends of life: children and the aged.

3. Means of action

The presentation of a social programme for Europe, i.e. progress paths for social Europe, must recognise the contribution of principles (collective wish of the Member States and their citizens) and the contribution of practice (what is permitted by the management mechanisms of the Union within the framework of the current institutions as arising from the treaty of Lisbon).

3.1

Directives are rare in the social field, because of the opposition of certain States to any collective progress in this field. It would be useless to claim multiple directives in the short run on the labour law or the social welfare systems. It would be advisable on the one hand that suggestions are made on certain subjects considered to be particularly important or symbolic at the political level, to show that Europe can improve the rights of Europeans as workers (health, safety, work's councils,...) and as citizens (article 13, non discrimination,...), on the other hand, thought must be given (in the fields of employment, work and social welfare) on to what falls under the jurisdiction of the States and what falls under the Union. The experiences of the Federal States of the Union or outside the Union (for example Canada) could be the base of such reflections.

3.2.

The open method of coordination (MOC) has shown its effectiveness and its limits. In the majority of the social fields, in particular concerning the social welfare systems, it seems that it could be improved and reinforced, by more systematic “benchmark” techniques and by a better communication. The “naming and shaming” method is suggested by some. It would be advisable to publish tables in which each person is located, for a given field, on several dimensions due to which he cannot compare himself to any country but see in which direction he can find ways of improvement, by following his own itinerary. Such a work of comparison has already been done in the recent report of the Social Welfare Committee on poverty and well-being of children which has identified improvement channels suitable for each Member State by considering three dimensions (participation in the employment of the parents, extreme poverty of the parents and impact of the welfare transfers). This type of work could be developed in other fields (social integration of migrants/minorities, professional/family life conciliation etc.).

Communication effort is obviously very important insofar as governments could be assisted in convincing the citizens to drive European harmonization policies.

The open method of coordination can be a means of gradually arriving at a common objective when the specific situations of the States, the beginning of the process or the possibilities of

reform relevant to them require different rhythms and schedules. The MOC is all the more useful and effective as the objectives which it lays down, even if they are ambitious, are realistic and multiple policies can be set up to achieve the goals.

3.3

The structural funds were reformed during the development and negotiation of the 2007-2013 budget. It is probably premature to return to this subject as of 2008. Nevertheless, there is a need to re-examine the operating conditions of the *European funds of adjustment to globalisation*. The creation of this fund is a beginning of a response to the concerns of European workers vis-à-vis relocations. A fund of 500 million € has been set up but only 15% of this sum has been used. Conditions of mobilization of funds should be improved, in particular by clarifying the activation criteria, apparently too complex, too restrictive or too bureaucratic. But there is no unanimous agreement on the future of this fund.

3.4.

Unions and management have, since the treaties of Maastricht and Amsterdam, played a very important role in the construction of social Europe, insofar as the results of their negotiations could be transposed into directives. It seems that the situation has developed somewhat prudently despite the involvement of all the trade unions of the salaried employees and employers. It does not seem that the CES or Business Europe has the same willingness today to conclude agreements as five or ten years ago. The unions and management have expressed the intention to open discussions on the social agenda in autumn 2008. A dialogue between the Council, the Commission and the unions and management could consequently be considered.

3.5.

The development of “*common principles*” which would be adopted by the European Council (and discussed in Parliament?) on important and concrete subjects would be a new method of implementation of a European social policy. This in particular is envisaged by the mission on flexicurity.

3.6.

It should be emphasised that the *discourse* of the European leaders can be as effective as many directives and that, in recent years, the European citizens have hardly heard speeches by leaders of European Governments of significance to them, in the social field. As recalled in the beginning of this note, Europe will continue to develop only if it is a Europe of the citizens. The European council resolutions, even when not followed by legislative effect or financial measures can constitute significant progress, if they are the result of extensive communication in the Member States.

3.7

The European Council could, by a *Joint Declaration*, stress that there is a European social model to which the States and the citizens are all attached and that they are ready to make it

evolve towards an increased responsibility of the citizens and the States in the solidarity and the accompaniment of those in need.