THE FUTURE OF WORK IN EUROPE

ETHICS AND GLOBALISATION

Produced by the « OIC Culture and Development » Association
THE FUTURE OF WORK IN EUROPE
ETHICS AND GLOBALISATION

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The Future of Work in Europe, Ethics and Globalisation

FOREWORD

This publication is the result of a contract signed by UNESCO's Social and Human Sciences Sector "Management of Social Transformations" Programme (MOST), with a group of Non-Governmental Organisations of the "KO Culture and Development" association, which had already been involved in a Symposium held in April 1999, in Budapest, with the principal support of UNESCO on the theme "How will mankind work in the 21st century?: Ethical challenges and the contribution of civil society".

This publication joins those that have already appeared in the MOST Programme to form a series of education materials on subjects such as: Globalisation and Sustainable Development: What Regulators are Needed? – OGM : Le champ des incertitudes (in French and Spanish only) – Global Civil Society: Its Rise to Power. In this publication, the information sheets focus on the future of work with regard to ethics and the impact of globalisation. The geographical area analysed is Europe, which, in this year 2004, is undergoing a major phase of transition with ten new member states joining the European Union and which, with the exception of two, have emerged from a long past of collectivist economy.

May this publication, which will be accessible on UNESCO's Internet website ¹, contribute to enriching an anthropology of work on the effects of globalisation and provide a useful basis of knowledge for researchers and teachers in the field of social sciences and for political and trade union leaders, as well as for leaders of non-governmental organisations and associative movements, particularly those who are seeking a balanced European governance, combining economic efficiency, ethics and social justice.

Germán Solinis
MOST Programme
UNESCO Social and Human Sciences Sector

¹ www.unesco.org
PRESENTATION

In April 1999, a Symposium devoted to the future of work in Europe took place in Budapest, on the initiative of a collective of humanistic NGOs with the status of «official relations» with UNESCO. This Symposium, which was attended by delegates from all parts of the continent, made it possible to identify a certain number of observations and perspectives which UNESCO found of such great interest that it requested this same collective to draft a series of educational information sheets making it possible to continue, in different places, the reflection which had started in the Hungarian capital.

The origin of the project and the nature of the mission entrusted by UNESCO dictated the content of the information sheets: based on the principal themes dealt with in Budapest, it was a case of comparing information and reflection. Hence the structure adopted for each of the information sheets: on the one hand, a number of simple ideas, accompanied, if need be, by quantitative indications, on the other, some major questions, mainly taken from the Acts of the Symposium which, if necessary, can be consulted for a more in-depth study (Volume 2).

This also explains the general plan adopted: an inventory of the situation, an ethical reflection and finally, some future-orientated guidelines.

There should be no misunderstanding about the status of these documents. They in no way claim to form part of a fundamental research on work which the finest minds have been carrying out for a very long time (cf. bibliography). It is a question, in a much more modest way, of applied, and even doubly applied, research: first of all, because it is deeply entrenched in the experience of NGOs working in the field and then because it has a vocation of practical pedagogy in all the areas where this can be developed: education, trade unionism, civil society, etc.

It nevertheless goes without saying that this approach is not devoid of any reflective content concerning the future of work in Europe: a content which is the very product of its development, from its inevitable presuppositions to its conclusions.

It is this content that we wish, as an introduction, to rapidly review around three concepts: the first two – globalisation and ethics – corresponding to an inversion of the terms of the title which the very dynamics of the research would seem to justify, and the third – the firm – appearing as its main point of conclusion.

Let us resume:

1.- Why globalisation first of all? Because it clearly emerged during the debates in Budapest, first of all, and then during the drafting of the information sheets, that there was a close link between globalisation taken in its usual sense of historical process and the globalisation of work itself, promoted, by this process, to a situation of centrality that it has not always had and that it will perhaps not always have.

2.- Hence, inevitably, the ethical problem that is posed in our globalised societies and especially in European society. If ethics concerns, as we know, the customs of the day and age (la éthè) and if work occupies a central position in these customs, it is effectively worth raising questions about this centrality, at a time when – and the information sheets clearly indicate this – the considerable changes taking place are jeopardising the future of work. One of the objectives of the Budapest approach was precisely to try and highlight the areas of power where the future of work was being played out; we could even say, in quoting the fine phrase of Hannah Arendt: «the realms of appearance» of this future.

3.- From this point of view, a striking observation clearly emerged during the proceedings of the Budapest Symposium and the drafting of these information sheets, an observation which is perhaps less banal than it would appear at first sight. We will formulate it by stating that the future of work is now no longer an affair of States, but a question of governance of a global system of practitioners concerned, operating in a network and, amongst which, the firm has a privileged place.

We will limit ourselves to developing some complementary observations on the first two points mentioned above, the third being left until the situation concerning a possible continuation of the research undertaken is clear.
1.- Work and globalisation

Work is not a universal concept. Even if men and women, in the majority of civilisations, have exercised trades and professions, it is only recently that these have been grouped under the generic term of «work»: to labour, to engage in trade, to teach, to serve, to command were considered as different activities, each irreducible to the others until a common denominator could be found for them: participation in the growth of collective wealth. A change of opinion was then witnessed in their regard: over and above their diversity, the many different human activities were able to be viewed as having a common factor in terms of collective utility and enrichment. This evolution was progressive and ultimately, on the scale of civilisations, fairly recent and limited: set in motion at the end of the Middle Ages, it developed rapidly during the XVIIth and XVIIIth centuries and established itself in the XIXth century in Europe, before slowly spreading to the rest of the world.

The presentation of the context in which this change took place is necessary in order to understand what work means in our day and age. The concept of work is inseparable from what Karl Polanyi called the «estrangement» of the economic element with regard to society. «Pre-industrial» societies are, in fact, characterised by a non-separation of the economic and the social but in a sense very different from ours: economics, if this can be distinguished, is a heteronomous sphere, subordinated to goals of a religious or political nature which are external to it. The exercise of a trade is only rarely prestigious or even socially legitimate. The dominant social groups are the most often isolated from work and this latter is quite often simply prohibited for them. Prayer, war, art and politics are the only noble activities and their legitimacy has nothing to do with economic criteria. The disinterestedness with they are practised is the guarantee of their value. These societies are essentially holistic: the community is superior to the persons who are its members and all human activities are subject to the social order whose cement is provided by religion or tradition, and most often, by both of these.

The Reformation and the Wars of Religion experienced by Europe in the XVIth and XVIIth centuries, the scientific discoveries and the discovery of the New World, marked an in-depth change in the Western conscience: the individual person, that is, the project of an emancipated man, with the free exercise of his conscience, able to control nature and the condition and goal of social and political organisation was progressively imposed and took the place of the previous representations of man and the world. From then on, a central question was to haunt Western thought: how can a social order be built on the basis of individuals? How can society be fashioned without sacrificing the individual and how can the humanistic project of emancipation be carried out without making the social order impossible? In other terms, how is it possible to link people together without calling on religion or tradition, which precisely appeared at that time as so many factors of division and conflicts?

Two main answers emerge progressively. One consists of considering the link in terms of civic contract. The Republican-based trend considers that the civic link will be able to replace religion and reconcile human freedom and organised society. The civic virtue will provide the cement for this. The other answer is more pragmatic. The utilitarian trend considers, in fact, that it is more effective to use what it considers human nature to be as a basis for founding society, that is, the quest for private happiness which is most frequently synonymous with the quest for enrichment and profit. This quest is considered as being what men and women have in common.

The competition that will exist between men and women in this dual quest must be a substitute for war and trade is thus considered as being an eminent pacifier. In this perspective, work acquires a central place: it is a creator of wealth and of links. It is, in fact, on the basis of mercantilists and liberal thinkers such as Locke and Smith that the link between work and wealth is shown and that the value of work is affirmed for the very first time.

But work is also considered as a creator of links insofar as it makes individual persons dependent on each other, thus, the liberals consider, linked to each other. Work thus becomes a factor of links that is judged decisive for a society which is no longer rendered coherent by a transcending principle.

But the importance assumed by work also has a third foundation, probably the most deeply rooted in Western man. Work embodies the efforts of men and women to govern nature and control their environment; it alone becomes the process of civilisation, the activity through which men and women humanise the world. This triple dimension accorded to work, creation of wealth, social link, control of nature progressively constitutes the base, which is hardly questioned, on which the dynamics and the expansionism of the West will be forged. Dynamics will establish work as a veritable «total social factor» and not only as an economic activity but also as an ethics of effort, reward, merit and individual accomplishment. Expansionism, of which work is both the driving force and the value, which will lead this «total social factor» to transcend the frontiers of the West and become the global social model, even if it is not effectively implemented in the whole world.
Europe has a central place in this dynamics and this expansionism. Historically, it is at the origin of a social organisation centred on work which, without being truly specific to this today, is the most complete here. The Social Democrat trend, the Welfare State, make work the dominant indicator of all social integration. Work is not only a factor of remuneration, but a condition of social life and the opening up of social rights. It is at the origin of a series of measures and social standards without any equivalent in the world. This organisation would appear today to be in a state of crisis insofar as it depends on a compromise which it is no longer able to respect in full: the acceptance of employees of the logic of productivism in return for the promise of social integration and access to the consumer society. For a large majority of Europeans, this compromise remains globally valid, but a large minority is today excluded from it, thus sapping the capacity of this latter to contribute to society. This European social organisation is therefore the subject of a dual criticism on the part of certain Europeans: one group because it does not have access, another, probably in a very small minority, challenges its validity and does not recognise itself in this compromise.

The place acquired by work continues to pose problems today. First of all, because it has been imposed to the detriment of other values and secondly, because it is not certain that work is effectively endowed with all the qualities and all the virtues with which it is attributed. Above all, is it so sure that the social link and human dignity can be founded on utility? What dignity is possible for those who feel « useless to the world »? Is the social link woven by work not rather poor ethically?

Over and above these basic questions that no civilisation can elude, how can the general effects generated by the current transformations of work be considered? These latter produce a chain reaction on the whole of society, ranging from the financing of the social system to the process of the communalisation of values. Therefore attaining the core of a cohesion still founded on work.

2 – Work and ethics

It can therefore be seen how we are naturally led from the socio-economic strand to the ethical strand in order to attempt a sort of recovery of the global factor that work has become. Admittedly, once the words « global social factor » have been spoken, the basic essentials have been said, but everything has not been said. It remains to explore the content of this globality, which over and above its quantitatively identifiable objectivity, includes a qualitative dimension: work is the standard, work is value...

From then on, the question becomes: is it possible, apart from a polysemy which expresses its complexity in a precious way, to advance a basic concept which expresses, or in any case, approaches, the in-depth nature of work in its contemporary centrality and on the basis of which we can try and consider its future, with a certain amount of credibility?

In drawing inspiration from the works of Arthur Rich ¹ and Nicolas Grimaldi ² who have largely acted as theoretical vectors of this research process, we will propose the concept of mediation.

Work is mediation and more precisely, in the modern order, it has become « the mediation of mediations » since it is through, with and in work that modern man will fulfil his humanity in the three basic relationships of which it is composed.

The first is the relationships with himself, which we will still call, through reference to the authors mentioned above and the language of philosophy, the individual relationship or the relationship « I – SELF ». Desire is found at the core of this relationship, an inchoative Desire for plenitude, happiness, surpassing oneself, accomplishment and the Absolute, which is only another way of designating freedom, this capacity that is specific to man, as Hannah Arendt states, of overcoming all the determinisms to achieve a life where he is responsible for his history (Grimaldi, p. 64). It is therefore this Desire that animates the dialectics of the I and SELF: the SELF that secretes it and the I which carries it out. The SELF, explains Rich, is the essence of all the possibilities that lie dormant in man and await their fulfilment. Yet it is definitely work which will be the mediator of this fulfilment: « as long as they have not been tested in the execution of a determined task, what are my gifts, my capacities, my talents and my virtues, other than fanciful pretensions? » (Grimaldi, p. 131). It is therefore this work and these tasks that I am going to undertake, which will enable me to fulfil myself, build myself and develop my identity: an individual relationship.

Yet inevitably, this work will have a social inclusion. There is no solitary work experience: even the most individual and the most self-centred work has a social influence: « these objects we produce are destined for others, as so many signs: it is for them that we work » (Grimaldi, p. 134). In this way, the relationship of exchange is set in motion: at the same time as my work individualises me, it personalises me, it socialises me.

and gives rise to a corps and the social link. In this sense, work is the mediator of the second constituent relationship of the human person: the personal relationship.

Finally, it is hardly necessary to stress the fact that work is also the mediation of the third relationship of humanity, the one that Rich calls the cosmic and ecological relationship or the relationship of man with THAT, namely, what surrounds him. It is through work that man develops the control of nature and his physical environment. As Nicolas Grimaldi again writes, work seals the union of mind and matter and objectifies my subjectivity: « all the time in our lives that has been given over to work has crystallised in the materiality of the object. What matter has collected from my life has thus been saved from death » (p. 133). And he added that of all the thinkers, Marx is certainly the one who has developed this function with the most intensity, this function of work as a mediation with oneself, others and with the world.

"Let us suppose that we had carried out production as human beings. Each of us would have in two ways affirmed himself and the other person. 1) In my production I would have objectified my individuality, its specific character, and therefore enjoyed not only an individual manifestation of my life during the activity, but also when looking at the object I would have the individual pleasure of knowing my personality to be objective, visible to the senses and hence a power beyond all doubt. 2) In your enjoyment or use of my product I would have the direct enjoyment both of being conscious of having satisfied a human need by my work, that is, of having objectified man's essential nature, and of having thus created an object corresponding to the need of another man's essential nature. 3) I would have been for you the mediator between you and the species, and therefore would become recognised and felt by you yourself as a completion of your own essential nature and as a necessary part of yourself, and consequently would know myself to be confirmed both in your thought and your love. 4) In the individual expression of my life I would have directly created your expression of your life, and therefore in my individual activity I would have directly confirmed and realised my true nature, my human nature, my communal nature. Our products would be so many mirrors in which we saw reflected our essential nature."


In a certain manner, the craft industry society could have been the model for this ideal work since, by his action, the craftsman:
- expresses his own genius,
- creates the social body, the corporation,
- contributes to the economic activity.

But undeniably, the «Let us suppose» of Marx and the example of craftsmanship make it possible to grasp how the question of the ethics of work and its future is posed. It is a matter of ensuring that all forms of work will come closer to the ideal, that is, that they will make it possible to deploy, in the very best way, the three constituent relationships of humanity, without depreciating the value of any one of them. It is at this stage that we are closely akin to the moral necessity: never to instrumentalise humanity either in oneself or in the other presupposes taking equally into account the three relationships of this humanity. This is the price of an integrated humanism. If, for example, we give priority in work to its social dimension of building the social body, as was the case in Europe with the trade corporations, or as is still the case in certain African societies, individual initiative and economic efficiency are immediately discouraged.

Yet it is precisely a similar but not identical phenomenon that is affecting our predominantly economic globalisation age. This domination means that when it is a question of work, priority tends to be given to its «relationship with THAT» dimension: it is this that, from now on, over-determines the mediation concerning work and imposes its demands on it, that is, division, specialisation, flexibility and mobility which are absolutely necessary in a logic of productivity.

These same demands will have immediate repercussions on two other aspects of the mediation:
- work no longer creates a social body but, on the contrary, tends to destructure social life: couples, families, social occasions, nations...
- work is no longer a factor of human enrichment, but of impoverishment: far from enabling the Desire to be fulfilled, with its construction in a coherent and responsible human project, it pulverises it into a multitude of needs and servitudes.
This is done in such a way that from the ethical point of view, the terms of choice concerning the future of work could appear relatively simple, as Nicolas Grimaldi (p.190) explains:

- either we assign ourselves productivity and wealth as our priority objective, but this is consequently at the price of an impoverishment of social life and the development of the individual, who is nothing but a tool in the production machinery…

- or, on the contrary, we seek the fulfillment of man and the quality of social life, but it is then necessary to accept a certain economic austerity.

In other words, the future of work is played out between two models: the economic model and the social model. The question is to know whether these two models signal an alternative or a tension.

The fact remains that in the immediate future, it would seem that our societies, our European societies in particular, have, de facto, made their choice: membership of Europe is decided, it would seem, and even if more nuances are required, more on the primacy of wealth than on that of the social model, in flagrant contradiction, moreover, with the ethical project of the founding fathers: placing the economy at the service of society and in particular of its essential requirement: peace.

This choice could be regretted. It could be considered that at long term or even medium term it is doomed and that we could work to see that this happens, but it seems evident that at least at short term, it is this choice that conditions the exploration of the future of work. An exploration which has two strands:

- will it keep its central position…
- will it keep its humanising function?

In the « applied » framework which is ours here, we will not go more deeply into the first strand of the question: its uncertainty is sufficient to justify the attention given to the second. Henceforth, the immediate ethical question becomes: where and how to work in the most effective way possible to preserve this humanising dimension of work? And it is here where it stands out that the firm has become, more than ever, the place for privileged action. This does not mean to say that the other practitioners – international organisations, States, NGOs, trades unions… – are disqualified and, above all, civil society which will most likely be called upon to play an increasing role of adjustment variable between the firm and the State. But this also means that the reality principle leads us to consider the firm as a principal point of focalisation of everything that can be undertaken.

What can be undertaken? The perspectives are evidently many and varied and call into question not only ethics and politics, but also the management of human resources or law...

If one perspective must be mentioned, we would like to choose the one described by Zaki Laïdi in his last work «Penser la mondialisation», when he explains that in the face of globalisation, the specific contribution of Europe could be, in accordance with its own particular aptitude, to continue to seek the ways and means of a governance by standards, a governance which will thus be developed in a three-party way: State – civil society – firm. In this perspective, this shows the importance of the mission which continues to belong to structures such as the International Labour Organisation and UNESCO, the former acting within the framework of a specifically legal set of standards, and the latter, within the framework of an ethical set of standards.

Pierre-Henri Chalvidan
Yves Palau
October 2003

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2 Zaki Laïdi: Penser la mondialisation, Flammarion Press
Information Sheet 1.1: Work and employment, the crisis of employment

1. Work, Evolutions and observations

We would clearly like to make the distinction between work and employment:

Work:
- an activity with a view to production
- situation of a person who acts with the aim of producing (generally for payment)

Employment:
- a state which makes it possible to have access to rights (pay, social protection, retirement pension) through a legally recognised activity. We would like to note that contracts between employer and employees, with codified links of dependence, continue to exist alongside other situations of an individual status which are developing (it is possible to be an employee and an employer at one and the same time).

1.1. The evolutions of work and employment in the Western world

Since the Second World War, work has undergone in-depth changes, continuing those started at the beginning of the 19th century through industrialisation: the transition from the primary sector (agriculture) to the secondary (industry), and to the tertiary (service industries).

For the European Union over the last twenty years, (source OECD)
- Agriculture: variation of the number of jobs: - 45 %
- Industry: " " " " - 20 %
- Service industries: " " " " + 28 %

These changes have given rise to the large-scale movements of populations. The development of industry in the 1950s and 1960s led to the arrival of considerable migratory flows to satisfy the needs in manpower of Western countries acceding to mass consumption. These flows came from North Africa, Turkey and South and East Asia, but were also accompanied by movements inside Europe; the least developed countries (Portugal, Spain, Greece and Italy), exporting their manpower towards the countries of Northern Europe. We would like to point out that this has strongly contributed to the countries that were a source of emigration, through the movement of capital in the opposite direction. The automation of industry reduced the need for extra manpower and unemployment consequently developed from the 1970s and 1980s onwards.

The explosion of the tertiary sector made it possible for young people to find employment, particularly as the higher level of studies gave a qualification corresponding to the new needs. On the contrary, industrial and agricultural changes resulted in an increase in the number of less-qualified persons who were either unemployed or who had precarious jobs.

1.1.1. The end of Fordism and the monopolistic firm

In capitalist societies, the goal of firms is not to create jobs but wealth. This situation has always existed but it has intensified with competition and the takeover of shareholder giving priority to money at short term. We have witnessed the end of paternalistic models such as Ford, Schneider, Michelin and Fiat, with the rise of influence of new shareholders and with the primacy of the market.

Consequences: incompetence, inefficiency or the lack of loyalty of the employees are no longer the only causes of redundancies. Consequently, the victims of the cutbacks in staff, following a merger, the sale of the firm, the closing of a site or the anticipation of future difficulties, feel that "it is not their fault". In a context where the commitment contained in the work contract can be broken by the firm for reasons other than the behaviour of the staff, kept out of the decisions concerning it, instability becomes the norm; there is a lack of confidence and a diminished sense of responsibility. How can people be surprised that this leads to seeking fulfilment outside work and that work loses its sacred aura?

1.1.2. The growing ascendancy of profitability

Traditionally, in terms of legitimacy, reflection had led to the observation that the fruits of the firm should go to:
- the capital that guaranteed the investment,
- the employees who have provided the workforce and their efforts,
- the client-consumer who pays the firm’s product,

the part due to the three being reduced by the investment necessary for modernisation and the durability of the tool, a factor of continuity for the firm.

The arrival of new types of shareholders, (investment trust companies, pension funds), more attracted by short-term appreciation than by the stability of the sources of production, has completely disrupted the

\[ 1 \text{ Jean Boissonnat, } \textit{Le Travail dans vingt ans}, \text{ Odile Jacob Press} \\
2 \text{ Bernard Perret : } \textit{L’avenir du Travail}, \text{ (Coll. L’histoire immédiate, Seuil)} \]
economic landscape. This has been accentuated by the rapidity of data capture and movements of capital. Economics has entered the era of the short term and the ephemeral.

2. Work. An inventory

A preliminary observation and one that is essential: the situations are so different and the evolutions so rapid and complex that no observation can claim to be complete and universal. Pockets of resistance and permanent areas which are not affected by change still exist, as we will see further on. For how long?

2.1. Work has lost its sacred aura

In 1850, work occupied 70% of our waking lives; today, it is no more than 15%. The average European, whose life expectancy is in the region of 700 000 hours, working 1 800 hours per year for 40 years, will have spent 10% of his total life in paid work.

It can be noted that this average covers disparities. Working hours in Spain and the United Kingdom are longer than in France, Sweden and Germany, and much longer than in the Netherlands and Norway.

An important observation: the time devoted to studies has doubled over the past 25 years (men and women between 18 and 64 years of age). This progressive reduction of working hours (divided by more than 2 since 1900) has not caused any major traumas.

At the same time and as a result of the preceding observations, we are witnessing the loss of the integrating character of work as a factor of socialisation. This is accompanied by:
- an increase in the emancipation and individualism of people
- a crisis of trades unions and workers' movements
- seeking alternative forms of socialisation (involvement in associations, family or neighbourhood solidarity)
- suspicion with regard to the behaviours of certain employers (enrichment, corruption, lack of transparency).

2.2. Salaried work is no longer the only rule

Salaried work, which still remains in the majority, is in competition with other forms of status at work: free-lance, independent or temporary. These forms of individual status which are tending to develop exist side-by-side with those that have always existed: liberal professions, artistes, self-employed, shopkeepers, farmers.

It should nevertheless be noted that the externalisation of work brings about the loss of the social link for these new independent workers, whose freedom is still not federated in corporatist bodies, unlike the older liberal professions.

2.3. Factors of permanence

2.3.1. Sectors scarcely or less affected by change

There still remain pockets of resistance which are less affected by change and where there has been less upheaval in the former statuses:
- public or parapublic jobs
- protected or strategic sectors
- small areas which escape from or barely suffer from competition (for example: luxury items)
- firms that benefit from captive markets or monopolies.

These areas of temporary stability can, in their turn, in the event of change, become areas of turbulence following privatisation, the irruption of competition, buying out, loss of markets... We could mention here the recent examples of banks, insurance companies and air transport. These are the effects of the liberalisation of markets, resulting from the GATT agreements, then those of the WTO, for many branches of activity.

2.3.2. Work remains a powerful factor of identity

It is the primary prerequisite of social autonomy (one only has to observe the growing number of women who wish to have a job). The social identity proceeds from the axiom: "I am what I do" (H. Arendt). Work, the founder of collective identities (recognising oneself in a professional model), contributes to learning the behaviours and the rules necessary for life in society.

But perceptions are very different depending on individual persons and the nature of work: for certain, it is no longer the dominant social period as it has lost its quantitative primacy and its normative control as a place where dominant values are generated. For others (researchers, intellectual workers) work can be a passion that is stronger than all other activities.

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5 L'emploi du temps, Futures magazine N°285, April 2003
2.3.3. Work, a place for acquiring knowledge (Cf. Information Sheet 4 : Training)

The 'social' skills that are necessary for life in society are specific to each professional environment: language of the firm, behavioural flexibility and strategic intuition.

2.3.4. Work cannot be separated from its remunerative aspect

Pay measures the value of work. The transition has been gradually made from the value of work to the value of time. Time is paid for (abstract work, see D. Méda) 6. The value, in theory, expresses the balance between supply and demand but when the demand is higher than the offer, the regulation is carried out by the guaranteed minima, collective agreements or branch agreements. Income is a factor of relationship and exchange. Income is also a means of communication; it opens up access to consumption, an inescapable form of collective identity.

The inability to provide everyone with a job (see further on the return of the Welfare State) has led States to pay an income to people who have never worked, without demanding anything in return. Consequently, the link with society is distorted, as it is perceived as a relationship of dependence, hence the risk of adopting a passive and demobilised attitude.

2.3.5. The meaning given to work in Europe

A survey carried out in 1999 in the European Union (E.U.) at that time and in the «new countries» entering the Union on the opinions and attitudes with regard to work clearly show differences:

<table>
<thead>
<tr>
<th>Questions</th>
<th>percentage of replies</th>
</tr>
</thead>
<tbody>
<tr>
<td>To fully develop one's abilities</td>
<td>73/83</td>
</tr>
<tr>
<td>Work should come before everything even if this means less free time</td>
<td>35/54</td>
</tr>
<tr>
<td>Work is very important</td>
<td>55/63</td>
</tr>
<tr>
<td>Leisure activities are very important</td>
<td>39/22</td>
</tr>
</tbody>
</table>

Survey by Hélène Riffault, Jean François Tchernia 1999

The countries of Central and Eastern Europe are more attached to a traditional moral code with regard to work, whereas the countries of the previous E.U. would like this moral code of work to be accompanied by self-fulfilment.

3. Attempts to remedy the deficiencies

3.1. the Welfare State

Over the past 30 years, recomposing economic activity, the difficulty in regulating the work market, the gains in productivity and, more recently, the effects of delocalisation and globalisation have caused a progressive rise in unemployment. Except for a few countries in Northern Europe (we will see further on the example of the Netherlands) the unemployment rate doubled, or even tripled, between 1975 and 2000.

In 2000, the 15 countries of the E.U. numbered 14.2 million unemployed persons. The ten countries entering in 2004 have a rate of unemployment that is higher than the average of these 15 countries 8.

Given the extent of this phenomenon and its consequences in terms of exclusion, a strong demand on the part of the public has led States to introduce institutional measures of solidarity. But the action of States goes even further, handling at one and the same time subsidies and constraints to promote development, aid restructuring and reduce deficiencies. These actions on the part of States often come up against European recommendations concerning the opening of markets. They also oppose the aspirations of employers towards more liberalism.

3.2. The growing influence of the Regions

The decentralisation under way has led the regions to take over the field of employment: assistance for job seekers, policies to establish firms on their territory and "seduction and promotion" campaigns for towns and provinces. The second phase of this appropriation is in sight: namely, that of education in order to bring training and education more in line with future jobs.

Information Sheet 1.1 – Work and employment, the crisis of employment
4. Guidelines for the future

4.1. The importance of demographic factors

The scheduled retirement of a large number of people from the "baby-boom" of 1945 and the years just after will affect this data. In ten years' time, the number of people who retire, thus freeing jobs, is double or triple the forecasts for creating jobs generated by the hypotheses of growth, be this high or low. It must not be concluded from this that unemployment will be solved. The factors of mobility, training, attractiveness of trades and professions all have their importance. Some sectors and regions will have too many demands while others will be unable to respond to the supply.

4.2. Jobs of the future

We can count three categories:

- the current production sectors, characterised by repetitive tasks. The processing of information, by its monotony, forms part of this category which includes supervision. No or little contact with the clientele. This category is in regression.

- personal services, also involving repetitive and simple tasks, but with external contacts. This category is developing. It is extended to sectors that are not very profitable (aid to persons).

- the fields of employment concerning the solving of problems: researchers, engineers, lawyers, doctors, advisers, advertising executives, consultants, journalists, teachers, etc. This sector is also in expansion.

It is estimated that hundreds of thousands of jobs will be created in the near future in each of the developed countries, concerning new professions about which we know almost nothing today. This poses the problem of training which should already be in place to cope with these needs.

4.3. The creation of firms, a solution for employment. Micro loans

In the previous E.U. the breakdown of firms by number of employees was the following (in thousands of firms)

<table>
<thead>
<tr>
<th>Employees</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>over 250 employees</td>
<td>36</td>
</tr>
<tr>
<td>between 50 and 249</td>
<td>163</td>
</tr>
<tr>
<td>between 10 and 49</td>
<td>1084</td>
</tr>
<tr>
<td>between 1 and 9</td>
<td>7447</td>
</tr>
<tr>
<td>no employees</td>
<td>320</td>
</tr>
</tbody>
</table>

Independent work, which corresponds to 9 million firms without employees, is rapidly developing in relation to the new communication technologies, the increase of services and the externalisation of the functions of large firms. These firms, whose total cost at their start-up is less than 10 000 Euros, are created in the sectors of trade and services, but also in the sectors of self-employment, the building trade and agriculture. The independent work developed in Southern Europe underwent rapid growth in the United Kingdom in the 1980s. Even if in Germany, one creator of a firm out of six is an unemployed person, the ratio in France is close to one out of two. Unlike the innovative firms which are of priority interest to political and economic leaders, independent work is within the reach of both workers with few qualifications and people who have university degrees and diplomas. Success is more the result of the spirit of enterprise and the energy put into it than of the level of studies. In all cases, the initiative of the creator, in order to succeed, needs the support of a network of solidarity created on a mutualist basis or through suitable accompaniment.

A micro firm does not often have direct access to banks, hence the importance of institutions of micro-financing which act through loans with interest. Like all financial products, solidarity-based loans must be adapted to the needs and constraints of its clients which can be summed up as follows:

- low capacity of reimbursement and risk factor calling for small loans for a relatively short period,
- easy access, corresponding to an often low level of studies on the part of the borrowers and the fear of «papers», aggravated by the experience of social aid,
- the continued access to loans after the first loan and the progressive entry of clients into the banking system.

Access to loans for micro firms is more important than the cost of the loan.

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9. Avenir des métiers, Commissariat Général du Plan, La documentation française
10. Michel Godet : Le choc de 2006 Pour une société de projets, Odile Jacob Press
11. Association Pour le droit à l'Initiative Economique (ADIE), Rapport 11-2002
4.4. The associative model and voluntary work

In the 15 countries of the previous E.U., non-profit-making organisations counted for 5% of salaried jobs. In the Netherlands, Belgium and Ireland, this percentage is higher than 12%. Voluntary work represents the same number of working hours. This shows the weight of the associative model as a fundamental link in democratic life. The public authorities delegate whole sectors of activities (culture, health, social action, leisure activities, education, defence of human rights, environment...) to the associative world and give subventions accordingly. The specific management of human resources is exemplary in many regards combining employees, voluntary workers, militants and users.

5. The example of the Netherlands

Between 1990 and 2000, that is, within the space of ten years, the unemployment rate in the Netherlands went down from 6.2 to 2.6% of the working population. This evolution towards a downswing dates back even further. The 1980s were marked by a high rise in unemployment, with a peak in 1983 when it reached 9.7%. Since this date and up until 2000, the decrease was regular, in spite of a rise, for a short period, caused by the recession in 1992. The trend, since 2000, has been towards a progressive rise, as the unemployment rate in July 2003 was 4.1% (Eurostat), which still places the Netherlands in the « virtuous circle » of countries. The example is therefore worth studying. Let us look at the reasons for this success.

5.1. The social compromise

Historically, Dutch society has been built on "pillars", denominational pillars, within which were to be found political parties, employers' organisations, trades unions and social movements. In the 20th century, a minority social-democratic pillar was created. Successive governments have always been "coalition governments", requiring the need for compromise between the pillars.

The originality did not lie in the absence of conflicts but in the way in which the conflicts are managed. The principle of consultation is the predominating factor.

5.2. Moderation with regard to salaries and wages

This moderation, which began in 1979 and took practical form in the Wassenaar Agreement of 1982, depends on the acceptance by the trade unions of a sustainable policy, pursued during periods of economic expansion:

- the public sector suffered a more crushing loss to respond to the need for cutbacks in spending,
- the real value of the minimum wage has gone down by 15% since 1982,
- the amount of benefits paid to unemployed and disabled workers was reduced.

5.3. The number of working hours

The compensation obtained by the trades unions in the Wassenaar Agreements was that employers abandoned their veto on the reduction of the conventional number of working hours. Negotiations concerning branch and collective agreements in firms reduced the weekly average of full-time work from 40h in 1982 to 36h.

The other component was the exceptional growth of part-time work, which went up from 19.8% to 36.5% between 1982 and 1996. In the Netherlands, part-time work does not have a negative connotation insofar as it has enabled the access of women to employment. The right to part-time work, already jointly recognised by the partners, has been included in a governmental project.

5.4. Flexibility

The government has made specific forms of employment more flexible, particularly temporary work. A law on flexibility (1999) has combined a more flexible management of permanent contracts (conditions of redundancy) with a reinforcement of the guarantees for temporary jobs (a succession of temporary jobs leads to a lasting job).

The decentralisation movement of collective negotiations has fostered the multiplication of agreements which, linking employment and productivity, have introduced more flexible forms of the management of employment at the level of firms.

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Additional documentation:

Information Sheet 1.1 – Work and employment, the crisis of employment 13
5.5. Evolution of employment structures

Between 1983 and 1996, the average annual growth rate of employment was 1.7% in the Netherlands compared with an average of 0.5% for the E.U. At the same time, the percentage of jobs in the civil service went down from 14.9% in 1983 to 11.6% in 1996. The increase in the total number of jobs was almost totally assured by part-time and flexible jobs. This does not mean that the jobs created only concerned these categories. The number of full-time jobs for men has decreased.

5.6. The transformation of social protection

Since 1993, given the explosion of health insurance expenditure, the government opted for a form of privatisation: 70% of the responsibility for sick benefits has been transferred to the employers who can take out a private insurance policy if they so desire. This mechanism has given rise to a selection when taking on employees. As far as invalidity is concerned, taking on workers suffering from partial invalidity has benefited from financial advantages. The contributions of the firms have been modulated in relation to the departures for reasons of invalidity to which they give rise.

A series of measures which do not concern the rates of compensation, but the conditions for access to and the maintenance of benefits, were adopted in the 1990s:
- The number of working hours necessary for opening up the right to unemployment benefits has been increased,
- Controls and sanctions have been reinforced if people do not actively seek a job, refuse suitable jobs or refuse to participate in measures concerning an active work policy.

5.7. The reform of the Public Employment Service

In 1991, the Public Employment Service, which up until then was placed under the supervision of the Ministry of Social Affairs and was only responsible for administrative tasks, was greatly reorganised, with the creation of a tripartite, autonomous and strongly decentralised Public Employment Service. The Public Employment Service is now directed at people in difficulty. The commercial sector, particularly private employment agencies and temporary work agencies, respond to the needs of other categories of employees.

Conclusions: Can we speak of a Dutch model? If by this we mean a coherent and global model, adopted at long term as a project by political, economic and social practitioners and implemented in a programmed way, the answer is no. The observers lay stress on the empirical nature of the approach, the learning process by trial and error and the heterogeneous character of the choices. The virtuous circles often appear afterwards. We would particularly like to mention the innovative model of the household "with one and a half jobs", guaranteeing the growth of available income. Furthermore, the movement of growth that created jobs was aided in the 1980s by exports and in the 1990s by internal demand. Will it be the same in the first decade of the 21st century?

Nevertheless, it should be noted that in the face of the increase of unemployment, the consensual determination of a resolute nation can find remedies. There has been no miracle remedy, but the combination of several complementary efforts has mobilised employees, trades unions, firms, administrations and the State.

Questions

1. Jobs are decreasing in certain sectors of activity; other sectors are developing. How is it possible to guarantee training and promote mobility to cope with these changes?
2. Is the Dutch model, which is a mixture of culture, consultation and dialogue, moderation, flexibility and pragmatism, combining liberal and State interventionism, exportable to other countries?
3. Is work-sharing a utopia or an objective? If the answer is yes, how should this be approached?
4. Will it be possible to assist for life those people who do not have access to employment by providing the same permanent income? Should they nevertheless be asked for a service or an activity in return?
5. Will the centrality of work be called into question one day?

A summary of the essential points:
- Work remains a preponderant factor of identity; income is the compensation, a means of relationship and exchange.
- Other forms of belonging to the world of work, apart from a salaried job: independence, multiple employers... have progressively appeared.
- The economy has entered the province of the short term and this makes jobs vulnerable.
Information Sheet 1.2: The impact of new technologies

1. Technology, innovation and work

The history of human activities has been punctuated by inventions of tools, machines and procedures which have always resulted in major advances or simple improvements. What is new is that the acceleration of these inventions: more than half of them have taken place in the second half of the 20th century.

What is not new, on the other hand, are the questions that are raised by each major advance that is termed a "revolution". The dominant cultural model and the economic project that it underlies are the subject of fears and hopes that can be summed up in two questions:

- where does it lead? (Man, the demiurge)
- is it really progress and will it lead humanity towards happiness?

In the field of information and communication, we can note three revolutions:

- during the Renaissance, the invention of printing;
- during the 20th century, the reign of the telephone, radio and television;
- today, the revolution brought about by the Information and Communication Technologies (ICTs), in particular by computers and the use of Internet.

2. The information economy (Net Economy)

2.1. The ICTs are revolutionising the world of work

Changes in how the economy works will transform the world of work, points out Mr. Somavia, Director of the International Labour Office: "the creation and loss of jobs, the content and quality of work, the location of work (...) are all affected by the emerging era of digital globalisation". Consequently, those countries and regions that fail to make the technological leap of the ICTs risk not only missing out on the large and growing trade in information and communications technology products, but will be unable to profit from the economic efficiency and productivity gains that derive from these technologies.

2.2. Internet and its satellites

Internet: a world network aimed at conveying data, information and exchanges. Its initial use has broadened: it is now possible to use it to make our tax returns, do our shopping and pass orders. Transmission is almost instantaneous.

Intranet: a private communication network on Internet for internal use within a firm.

Extranet: a private Internet network accessible from outside the firm by specific people (clients for example).

2.3. Repercussions on the organisation of work

The analyses carried out on the effects of the ICTs highlight the great diversity of the transformations under way. They show the uncertain and contingent character of the impacts of the ICTs on work configurations and the experience of the practitioners. Similar situations were also observed during the first industrial and tertiary generations of computerisation.

The ICTs, in fact, are not the result of spontaneous generation, or of a rupture which can be clearly dated. Intranet and computer networking do not arrive on virgin ground. Firms, with these new systems, are entering into a third cycle of computerisation, after the large centralised units and micro-computers which could be connected with each other.

2.4. Effects in the firm

2.4.1. ... on its operating procedures

Computer processing greatly modifies the operating procedures of the firm by:

- the automation of repetitive tasks (secretariat, archiving, accounting and reporting, management of stock and orders, quality control of products, etc.);

- the information system in the firm and the rapidity of the transmission of this information, for example, being aware of the situation of stocks in real time at any given moment;

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- the resulting means of control at central level (finance, management control, sales, personnel management etc.), making it possible to lighten the volume of work of the senior management and simplify the organisation chart...

- a complete change of scale concerning the volume and cost of archives...

Technologies contribute to calling into question existing organisational procedures, act as levers, give rise to phenomena of the crystallisation of knowledge and practices and set organisations on new paths. The employees simultaneously mobilise systems of electronic bulletin boards, applications for cooperative work, technical databases etc.

No matter the type of firm, the same tools and the same technologies are used at all levels. All in all, Internet can be just as useful for firms which practise networking, as for other extremely organised and hierarchical forms, with the result that the tools can then be used for controlling employees: working hours, methods...

2.4.2. Telework and Nomadic work

Amongst the different forms of work that are developing today, it is necessary to make a distinction between several types of situation:

* The first is that of work at home which concerns people who spend part of their activity working at home. This form has several variants:
  - people who work completely at home, all day long,
  - people who alternate by working two or three days a week in their firms and the rest of the time at home.
  This is the form that is currently developing more in firms.

* The second is that of nomadic work. The people engaged in nomadic work are called on to move around in their profession. This, of course, concerns specific profiles, but nomadism is extremely important for certain specific categories of functions or positions in firms.

* The third concerns the development of the satellite office where people work in teleactivity: in this case, it is no longer the worker who moves around, but the firm which creates offices on the outskirts of towns to be nearer its collaborators but also to save money.

In these new professional landscapes, traditional organisation is completely turned upside down. One only has to look at the headquarters of certain firms where the number of ordinary work stations is less than the number of collaborators.

2.5. Repercussions on the whole of the economic environment

2.5.1. ...with the appearance of a new kind of entrepreneur

The arrival of the « Net Economy » has enabled young people leaving university or school, sometimes before having completed their educational careers, to have an experience of creating a firm. However, this positive side of the « start-up » spirit must be tempered by the superficiality with which the problems have all too often been dealt with, a superficiality which is not only due to inexperience, but also to an inadequate preparation for what is being undertaken.

This phenomenon has intensified in the years marking the turn of the century, with the appearance of "business angels", who, carried along by the euphoria of the « Internet bubble », were ready to mobilise funds without a sufficient analysis of the feasibility of the project. This form of firm was destined to fail, as it gave priority to the lever effect rather than to continuity.

It should be recognised that large groups, which are unable to carry out a rapid reconfiguration have sometimes fallen into the trap by buying firms which have no value at all, through fear of being pipped at the post, when seeking a new market and not knowing what kind of diversification to undertake. Let us quote the example of LVMH which went outside its specialisation in luxury products to launch itself, with the disillusions we all know, in on-line banking (Z Banque), or again Vivendi, which, although having its basis in the Société Générale des Eaux (Water Company), extended its activities to Communication and Entertainment, going deeply into debt to buy the Universal Studios in the United States, in the hope of a synergy between the container and the contents which proved to be false. (cf. Information Sheet 2.7).

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2. Aventur des métiers, Commissariat Général du Plan, Paris, La Documentation Française
2. ibid. « Portables en tous genres...les nouveaux nomades du travail, entre la liberté et le fil à la patte », 27/06/2000
2.5.2. ...with the extension of markets

In electronic business, the size of the market is one and the same as the number of industrial and commercial partners. A computer that is connected is a heterogeneous and changing target: tools of telework for the parents, research and libraries for children and leisure activities or electronic business for all the family.

What kind of internaut is targeted? The sale of goods depends on this answer. There have been many disillusionments, for even if Internet gives rise to a greater supply, it does not necessarily make it possible to reach the target and thus a bigger market becomes an illusion. Consequently, those involved rediscover what a market truly is, that is, the convergence of supply and demand.

2.5.3. ...with the abolition of intermediaries

This can be observed, particularly in the constitution of distribution platforms. The firm organises a market place around itself in order to optimise its internal staff, capital and external resources (raw materials, sub-contractors, suppliers...). In this perspective, the rapprochement of firms is at the basis of electronic business between professionals and societies. Anyone who has not established electronic links with his or her partners is marginalised. Intranet, the private version of Internet, and Extranet, an extension of the application of Intranet, become effective tools, even if they do not provide the solution for all the organisational problems of the firm.

More precisely, with Extranet, commercial and industrial partners have direct access to the internal resources of the firm, under certain conditions. Consequently, the firm’s suppliers, sub-contractors and consultants are integrated into the firm’s activity, in real time, whatever their geographical situation.

These systems enable firms to increase their productivity by reducing the cost of dealing with low-price orders and to concentrate purchases on referenced suppliers. At the same time, this gives rise to the reorganisation of firms, in order to combine efforts and pass on the savings made all along the production and/or distribution chain.

It is obvious that this will have repercussions on the organisation of work inside the firm.

The majority of car manufacturers have embarked on such a venture (General Motors with e-GM to link up the suppliers and the dealers with each other, Ford with Auto-exchange, an on-line supply site and Peugeot with SVO: Succursale des Voitures d’occasion – Second hand Car Branch). Furthermore, the American industry has combined forces en masse in the Automotive Action Industry Group and has created a purchasing platform which is beneficial to all the sector’s practitioners.

3. Impact on skills

The changes that modify professional activities are a result not only of the new technologies, but also of organisational and social innovations. Work becomes increasingly interactive and makes it compulsory to know how to manage the abundance of information. The new aspects of the world of work mean that employees must mobilise their skills, which are not only of a technical nature. The employees must develop a spirit of open-mindedness, curiosity and initiative. The ICTs make it possible to enter into contact with other employees or with persons of other networks, which means that the employees must develop relational aptitudes.

3.1. Training courses

For initial and lifelong training, see Information Sheet 4. The command of ICT techniques calls for greater knowledge and initial training has a role to play to make this possible. It is necessary to prepare the practitioners for work contexts that are undergoing rapid changes, as well as for status-enhancing new directions and professional mobility, as well as for a readiness to acquire new knowledge.

Vocational training should prepare people to carry out basic occupations and enable them to be receptive to acquiring a command of complex worlds: learning to read and decode screens, find the relevant information amongst the many different types of data, learn to manage computer breakdowns and cope with the tension, or even stress, that these new tools cause.

3.2. The Net Economy, a true revolution for some

The true upheaval that the Net Economy has caused lies in the speed of change, that is, the appreciation of time. The Internet tool, which is itself undergoing a rapid evolution, accentuates the obsolete character of former methods and practices.\(^6\)

\(^6\) François Ascher : *L’émergence de la société hypertexte*, Futuribles magazine N° 275, May 2002
4. Nanotechnologies: a new technological revolution?

Nanotechnologies, nanosciences, nanoelectronics... The term nano refers to the nanometre, one billionth of a metre (1nm.) which goes hand in hand with the atomic scale (an atom measures approximately 0.1 nm.). The nanosciences owe their impact to a remarkable tool, invented in 1981, the scanning tunnelling microscope, which has made it possible to observe and even work on this invisible world.

The revolution under way is the result of the convergence between the capacity to manipulate matter at nanometric scales and the knowledge of how the living organism is built, as this is also nanometric, on account of the progress of genomics. People in laboratories already know how to build material thousands of times more resistant and flexible than steel, or modify the characteristics of an animal or plant protein in order to make it adopt a determined behaviour...

In the hope that these nanotechnologies will have the same effect on economic growth as the « computer revolution », certain governments, particularly the government of the United States, have decided to invest massively in these fields ($697 million in 2002, $770 in 2003, $849 envisaged in 2004 in the National Nanotechnology Initiative Programme). In France, the Minatec project, launched in 2001, principally in Grenoble, aims to be a European Centre for Innovation in Micro and Nanotechnology, by grouping teaching, research and industrial development. The sum total of knowledge amassed in the field of convergence of physics, chemistry and biology make it possible to envisage applications such as the processing and storage of information through nanoelectronics.

Questions

1. The new technologies are causing in-depth changes in the world of work: certain sectors are obliged to make staff redundant whilst others suffer from a shortage of staff. Which sectors are these? What jobs are proposed, for whom and under what conditions?

2. The new technologies and economic changes encourage us to modify our ways of working. Will they enable everybody to enrich their work and exchange and cooperate more fully, or will they increase inequalities? How is it possible to influence the organisation of societies so as to reconcile the quality of work and the quality of life?

3. Should we be afraid of flexibility and the splitting up of working hours and workplaces or are these new opportunities to be seized? For example, in making it possible to set up distance work units in regions in recession, or by facilitating the creation of micro-firms?

4. To what extent do the new technologies modify the relationship between man and machine and the relationships of workers with each other?

5. Do the new technologies lead to rethinking the importance and the methods of acquiring knowledge throughout life?

A summary of the main points:

- The irruption of new technologies causes an upheaval in intergenerational relationships. Young people are becoming more rapidly operational to fill positions of responsibility; the obsolete character of the professionalism of long-standing staff is increasing.

- New forms of work are becoming externalised. Individual status does not prevent other forms of dependence brought about by belonging to networks.

- The relationships between time and space have been greatly changed by mobility, calling into question traditional social links and sometimes, first of all, families.

- Can the opportunities offered by the new technologies greatly assist Central and Eastern European countries to succeed their entry into the E.U. (to succeed in occupying the place that is rightfully theirs in an enlarged E.U.)?
1. What is globalisation?

"With the decrease in the cost of transport, the extraordinary development of telecommunications and the inevitable opening up of frontiers, the economy is becoming globalised. In this new environment, traditional large firms are gradually giving way to world networks of firms whose operating procedures are very different. In looking at the superb finished product of the latest Mazda, you could think that it is the proof of Japanese supremacy in this field. In fact, the bodywork was designed in California; the parts, manufactured in England and assembled in Mexico, include electronic components designed in New Jersey and manufactured in Japan. This example poses the question of the interdependence and the interlocking of our economies" ¹.

Globalisation is neither a recent phenomenon nor an unchanging factor; it is, on the contrary, an evolving process of development of economic, financial, cultural and other exchanges, whose intensity and forms have been variable over the course of time. What is new, in particular, is the explosion of exchanges linked to the NICTs (new information and communication technologies) and its characteristics of the immediate transfer of information at a very low cost.

Globalisation has been the subject of many publications and sometimes of categorical judgements. We will endeavour to limit ourselves to its impact on work by laying particular stress on recent collective studies.²

1.1. The characterisation of globalisation today

"There is a general consensus to see the causes of globalisation, as we are experiencing it, in:
- technical and scientific progress,
- the progress of telecommunications and communication in general,
- the generalised use of transport (new techniques and reduction of costs)"³.

But should other factors not be added to these material causes of globalisation? Michel Hansenne, former Director General of the International Labour Office, calls on the world of work⁴ to adapt rapidly and effectively to the three changes that have taken place since 1970 in the Western world, namely:

- the strong development of the demand for goods and services, as the population concerned has become richer and lives longer (a population made up of disloyal, fickle and ungrateful clients);
- the instability of the supply, which has become adapted through frenzied marketing and the development of large networks depending on sub-contracting;
- the omnipresence of the Market, and of a world market (since the collapse of the Berlin Wall); but geopolitics is present everywhere in the world, a presence that can be seen at international level by the Uruguay Round and the World Trade Organisation (WTO).

In a general way, globalisation is a powerful lever for world economic development and the development of the majority of countries (but not all). The unequal character of this according to country and within countries is often reproached: how can economic development be reconciled with solidarity? Must we suffer globalisation or try to « control », or « humanise » it?

1.2. The explosion of exchanges over the past 25 years and relocations

At the end of the 1960s, Western countries were faced with the massive arrival of cheap products from Japan and the Asian « dragons ». More recently, and several countries of Central Europe have joined the ranks of world competitors. Given this threat to their industry, European and American firms have decided to establish certain production units in regions where manpower is poorly paid (Asia, Eastern Europe).

At the same time, sub-contracting abroad (externalisation) is developing, concerning fields of production and provision of increasingly « high-tech » services (sub-contracting of software products in India for English-speaking countries and in North Africa for France).

Globalisation in industry can be seen by an increase in relocations and sub-contracting, in seeking, through placing firms all over the world in competition with each other, the best product at the least cost with the minimum of risks. The aim for each firm is to reduce production costs and increase its share of the world market for certain categories of products. This is sometimes accompanied by seeking a dominant position or a

monopoly in a sector (sometimes narrow) of the market, in order to increase the security of the firm and, at long
term, the margins and profits. Examples: Microsoft, Intel, General Motors, Boeing, Airbus, Nestlé, Coca-Cola,
Mc Donald's, etc...

Furthermore, we are witnessing purchases and concentrations of firms in order to increase the effect of
size and resist the "predators". Examples: Total-Fina and Elf, Daimler-Benz and Chrysler. The situation is the
same with regard to banks (BNP and Paribas), chemical-pharmaceutical industries (Hoechst and Rhône-
Poujence), etc.

This concentration initiative, slowed down by the anti-monopoly laws (appeal against Microsoft) crushes
the smallest firms (Moulinex, Swissair...) or absorbs them (Skoda by Volkswagen, KLM merged with Air-
France). When there are disparities in the size of buyers and sellers, such as for mass marketing supplies, the
profit margins of these latter are eaten away by the former.

All of this contributes to increasing the competitiveness of the 'work' factor at world level.

Repercussions on transport : The explosion of the relocation of production units is contributing to
developing road, sea and air transport. Since 1970, the cost of sea or air transport by ton has regularly decreased
by 4% per year in constant money. Container ship traffic has regularly increased over the past 10 years.
Consequently, the following professions are in full expansion: handling and packing of merchandise, merchant
navy crews, port staff. But these professions themselves are affected by competition from a labour force from
poor countries (25% of the sailors belonging to the world merchant navy fleet are Filipinos).

1.3. Multinationals

Multinationals existed at the beginning of the 20th century: their names were Michelin, Bayer, Kodak.
We continue to list the major companies by their national identity and yet the value of what they sell is created
in other countries of the world, including the one that defines the strategies and the resolution of problems that
are strong producers of values.

1.4. Movement of capital – rapidity of financial exchanges

The disappearance of frontiers which were obstacles to the free movement of capital has led to
competition between States to attract money or prevent the flight of capital. Multinationals can move their
funds instantaneously towards countries where taxation is less heavy and according to the fluctuations of
exchange rates. The investments of administrators of foreign share funds have tripled over the past five years.
At the same time, the sum of irredeemable debts on the part of developing countries counted in Western banks
exceeds 1,000 billion dollars. Banks in tax havens possess 5,000 billion dollars. Income from criminality, a part
of which passes through these centres, represents 15 % of world trade.

The effects of these factors of instability on employment are considerable. Seeking the profitability of
capital gives priority to the short term to the detriment of lasting jobs.

2. Effects on employment and working conditions

The major trend is towards the development of service provision for the person and the family. As for the
"new economy", it is developing alongside this trend, by creating increasingly qualified jobs. Even if
economic growth is benefiting from the internationalisation of exchanges, certain sectors of activity have
largely suffered from the opening-up of markets: textile, industry, shipbuilding and the chemical industry.

Sub-contracting leads to the fragmentation of social statuses and goes hand-in-hand with unequal
salaries. The diversification of links between the worker and the firm is becoming generalised and this brings
about a diversification of the types of work contract. Like sub-contracting, which is accompanied by a
distancing with regard to the firm that gives the orders, the diversification of links leads to the development of
individualism.

For the self-employed worker, it is the law, therefore the intervention of the political authority, which is
substituted for the "status" (more or less negotiated with the trades unions). The feeling of solidarity of the
workers seriously risks being called into question2.

2.1. Positive effects for Europe and between East and West

Globally, the European Union has a balanced external trade with the rest of the world. Exchanges
represent almost a quarter of its production and 70% of its imports and its exports either come from or are
destined for itself. Countries have a common advantage in exchange even if this is unequally shared. In closing
their doors they become poorer (cf. the Albania of Enver Hodja).

Western Europe is seeking a specialisation which should be beneficial to it: importing a large quantity
of goods with a low added value and a high poorly qualified work content, as against a small quantity of goods
with a high added value and with a content that is strong in know-how and innovation.
For Central and Eastern Europe, this opening-up should be an opportunity and its present high rate of
unemployment (over 16% in Poland) should undergo a large progressive reduction through the growth of the
G.D.P. per inhabitant, if we base ourselves on the examples of Spain and Portugal which are eloquent in this
regard.

2.2. Negative effects on employment and working conditions

Exaggerated competition, the result of globalisation, leads to giving priority to financial aspects,
sometimes at short term. This «financierisation» of the economy (primacy of listed securities and possibilities
of loans) can lead to the sale by «parcels» of the firm, with the risk of disposing of assets representing a vital
importance for it. Some executives even speak of «firms without factories».

With regard to the effects of globalisation on employment and jobs we would particularly like to mention
the following:
- Concentrations often accompanied by redundancies called "social plans";
- Economies sought through the reduction of staff, particularly if the State encourages the process by aid
measures;
- Pressure on the employees (pay, mobility, working conditions...), closing-down of sites (Vilvorde in Belgium
by Renault), blackmail by incentives to encourage relocation;
- Implantation of new activities in countries where manpower is the cheapest;
- Taking risks to foster growth by concentrations and the anticipation of poorly estimated profits (Vivendi,
France Télécom, Deutsche Telekom), leading to other social plans.

Public opinion, which is not always aware of the economic challenges, finds it very difficult to accept the
announcements of restructuring, externalisations and relocations which sometimes all too exclusively depend
on these financial decisions. On the contrary, would it rather not be necessary to rehabilitate a different concept
of the firm which should be defined, not as an («object» belonging to its shareholders, but as a («community of
interest» whose goal is not only to create value for the shareholder, but also jobs and wealth for the employees
and the consumers, given that the employees constitute a fundamental value in the current knowledge-based
economy.

3. Preconceived ideas : Globalisation is something to be afraid of

During the Assises chrétliennes de la Mondialisation, five major characteristics of globalisation were
selected by the movements represented: its universality; its inevitable character; its massive, irresistible and
dominating character; the fact that it is marked by neoliberalism and finally, its fundamentally ambiguous
character.

The tone is pessimistic. Globalisation is perceived, in general, as being non-regulated and
uncontrolled: «There is no pilot in the aeroplane» or at least the controls at his disposal are out of all
proportion to the challenges.

4. The social dimension of globalisation

«Globalisation can and must change» states a Report prepared at the request of the
International Labour Organisation (ILO) and urging that «building a fair and inclusive globalisation should
become a worldwide priority». This Report, which therefore refutes the idea that the path of globalisation
cannot be changed, considers that «globalisation's potential for good is immense» and that is has «opened
the door to many benefits, promoted open societies and open economies and encouraged a freer exchange of
goods, ideas and knowledge...». Yet it is also possible to read that «there are deep-seated and persistent
imbalances in the current workings of the global economy, which are ethically unacceptable and politically
unsustainable... Seen through the eyes of the vast majority of men and women, globalisation has not met their
simple and legitimate aspirations for decent jobs and a better future for their children».

«Public debate on globalisation is at an impasse. Ours is a critical but positive message. We seek a
process of globalisation with a strong social dimension... one that is fair, inclusive, democratically governed
and provides opportunities and tangible benefits for all countries and people...»

«We judge that the problems we have identified are not due to globalisation as such, but to deficiencies
in its governance... Concern comes from the failure of current international policies to respond adequately to

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6 World Commission on the Social Dimension of Globalisation, mandated by the Director General of the I.L.O. (composed of 26
members and co-chaired by two serving Heads of State Tarja Halonen, President of the Republic of Finlnd and Benjamin William
Mkapa, President of the United Republic of Tanzania): «A Fair Globalisation: Creating Opportunities for All», (200 p.) ILO, Geneva
2004, ISBN 92-2-115426-2 - see also reference
the challenges posed by globalisation. Market opening measures and financial and economic considerations predominate over social ones... The system is not sufficiently democratic ».

The Report recommends a reform at world level of the rules and policies that govern trade and finance and the application, in the world economy, of the rules based on « the core labour standards as defined by the ILO ». « A minimum level of social protection for individuals and families needs to be accepted as part of the socio-economic floor of the global economy... Greater market access is not a panacea. A more balanced strategy for sustainable global growth and full employment is essential ».

5. Globalisation, migratory flows and jobs

The subject of migratory flows and their impact on jobs will be dealt with in Information Sheet 2.3: migrations and discriminations. Given the low reproduction rate of the population in Europe, additional manpower provided by immigration, is and will be increasingly necessary.

Europe is faced with a considerable task: introducing more humanity into the way the difficult cases of integration of the new arrivals are dealt with. This concerns the police, health, education, social aid, housing and access to employment. The creation of a European agency to supervise all these problems in a long-term perspective would seem to be highly desirable. The triptych « security — immigration — future » is at the core of the European problematics.

6. Globalisation, an opportunity for Europe?

The opening of frontiers: Initiated by the Treaty of Rome in 1957, the European Single Market came into being through a series of treaties and agreements, culminating, in 1993, with the Maastricht Treaty; another striking event, the official introduction, on 1 January 2002, of the single currency, the Euro, for 12 of the 15 countries of the Union.

A social Europe: Under way since 1989, with the European Social Charter adopted by 11 Member States, completed by the Maastricht Treaty, then the Treaty of Amsterdam (1997), the Social Europe is finding it difficult to emerge. It is seeking its path between a radical liberalism and the safeguarding of traditional assets. The free movement of workers is the spur that obliges States to harmonise their social legislation so that they have the same rights everywhere.

The excluded: The number of excluded is continuing to increase in Western countries. They are even more numerous in the continents of the South. In this regard, the globalisation of information makes the deprivation of the poor and the opulence of the rich even more blatant, giving rise to an accumulation of frustrations and mad dreams of coming to live in European countries at all costs, no matter what the risk.

Questions
1. Globalisation is accelerating the changes and causing upheavals in the nature and the qualification of jobs; it is not synonymous with humanisation. What regulation must Europe adopt to reduce the human and social cost of this?
2. A re-balancing of wealth: within the enlarged European Union, will the relocation of activities towards countries where manpower is cheap and the development of exchanges be enough to enable the new member countries to catch up the fifteen present members economically and how long will this take? If not, what additional corrective measures must be introduced ensure an adaptation to the market (regional aids, training, partnerships, etc.)?
3. What transitional stages must planned to have a real common market, particularly in the field of the liberalisation of the markets of agricultural products?
4. To what extent is it wise to liberalise public services and what « Services of General Interest » should the State maintain and subsidise?

A summary of the main points

- Globalisation frightens people. It makes the weak vulnerable. It offers opportunities to those who do not fear change and mobility.
- Mobility clouds the usual landmarks of the protagonists: distance from decision-making bodies and uncertainty concerning the source and the reason for decisions.
- Globalisation is an opportunity for Europe if it succeeds in reconciling competitiveness and economic growth with, on the one hand, justice and social protection, and, on the other, the regulation of the reception of immigrants.

8 Michel Albert, Jean Boissonnat, Michel Camdessus: Notre foi dans ce siècle, Arlèa, Paris 2002
9 Pierre de Charentenay: Une année plus politique pour l'Europe, Études magazine N° 392, June 2000
1. A problem of women in relation to men concerning work and employment

1.1. Over-unemployment

As a general rule, the percentage of unemployed women is higher than that of men in the whole of the previous European Union (E.U.). This trend is the opposite in the countries which joined the E.U. in 2004, with the exception of Poland, the Czech Republic, Cyprus and Slovenia. Furthermore, the percentage of women in employment is higher in the countries of the Union in the North of Europe, with a record for Denmark and Sweden (+70%), but still less than that of men. The percentage of employed women is low for the Mediterranean countries (approximately 40%), and is also lower than the percentage of employed men.

For the new countries joining the Union, the percentage of women employed in all countries is higher than, or in the region of, 50%. (cf. table below)

<table>
<thead>
<tr>
<th>Country</th>
<th>Employment rate</th>
<th>Unemployment rate</th>
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<tbody>
<tr>
<td></td>
<td>Rate</td>
<td>Rate</td>
</tr>
<tr>
<td></td>
<td>All</td>
<td>Men</td>
</tr>
<tr>
<td>Germany</td>
<td>65.4</td>
<td>72.8</td>
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<tr>
<td>Austria</td>
<td>68.3</td>
<td>77</td>
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<tr>
<td>Belgium</td>
<td>60.5</td>
<td>69.5</td>
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<tr>
<td>Denmark</td>
<td>76.3</td>
<td>80.8</td>
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<tr>
<td>Spain</td>
<td>55</td>
<td>69.9</td>
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<tr>
<td>Finland</td>
<td>67.5</td>
<td>70.6</td>
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<tr>
<td>France</td>
<td>62.2</td>
<td>69.3</td>
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<tr>
<td>Greece</td>
<td>55.6</td>
<td>71.1</td>
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<tr>
<td>Ireland</td>
<td>65.1</td>
<td>76.1</td>
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<td>Italy</td>
<td>53.5</td>
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<tr>
<td>Luxembourg</td>
<td>62.9</td>
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<tr>
<td>Netherlands</td>
<td>73.2</td>
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<tr>
<td>Portugal</td>
<td>68.3</td>
<td>76.6</td>
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<tr>
<td>United Kingdom</td>
<td>71.2</td>
<td>77.8</td>
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<tr>
<td>Sweden</td>
<td>72</td>
<td>74.8</td>
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<table>
<thead>
<tr>
<th>New arrivals</th>
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<tbody>
<tr>
<td></td>
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<tr>
<td>Bulgaria</td>
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<tr>
<td>Cyprus</td>
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<td>Czech Republic</td>
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<td>Romania</td>
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<td>Slovakia</td>
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<td>Slovenia</td>
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Source: Eurostat 2000

The over-unemployment of women has been a strong trend in the last two decades. It affects all ages and socio-professional categories everywhere in Europe. The most critical situation involves young people under 25 years of age. The unemployment of young people concerns young women in particular. Women employees are three times more concerned than executives and workers four times more. Every time a food processing, household appliances, textile or even electronics factory closes, hundreds of women are left unemployed.

Selective underemployment has spread in the majority of European countries since the beginning of the 1980s. Through involuntary part-time work, this underemployment affects an overwhelming majority of women. Depending on the country, the percentage of feminisation of this underemployment is between 75 and 90%. This part-time-work has developed over the past 20 years in certain sectors employing principally women: trade, catering, the hotel industry and services for private individuals.

Finally, the last aspect, female unemployment would appear to be more structural than its male counterpart, that is, less sensitive to economic recovery. The periods of stagnation or decreases in unemployment have benefited men more than women.
THE FUTURE OF WORK IN EUROPE. ETHICS AND GLOBALIZATION

1.2. Underpaid work

It is in the Nordic countries (compared with the other countries of the European Union) that women are the best paid, although their wages are still slightly lower than the wages of men.

Compared with the average income of men, the average income of women (but for different positions) is only 70% in Finland and Denmark, 68% in Sweden, 62% in France, 61% in the United Kingdom, 53% in Portugal, 52% in the Netherlands, 50% in Germany and Austria, 44% in Italy, Belgium and Greece, 43% in Spain and 40% in Ireland. The situation is the same for the new countries joining the E.U.: the percentage of income is 72% in Latvia, 67% in Lithuania, 65% in Slovakia and Estonia, 61% in Poland and Slovenia and 58% in Hungary and the Czech Republic.

Finally, women managers, on an average, only receive 65% of the pay of their male colleagues.

1.3. « A ceiling » placed on promotion

Created in the 1970s, the expression « glass ceiling » symbolises the invisible barriers which prevent women from having access to the highest responsibilities. Whether it is in the world of work or in politics, these artificial barriers – which are transparent but very real – made up of the countless prejudices that permeate behaviours and structures, continue to be erected, in spite of decades of social development and progress towards greater gender equality.

Admittedly, an increasing number of women assume supervisory functions and hold managerial positions, but it can clearly be seen that the situation is slow to change and progress is not uniform. The percentage of women Members of Parliament, high-ranking civil servants and managing directors is still much lower than 50%: between 30 and 35% in Ireland, the United Kingdom, Portugal and Spain, between 25 and 29% in Sweden, Finland, Germany, the Netherlands, France and Greece and less than 20% in Belgium. For the new countries joining the E.U., this proportion is less than 35% with the exception of the Baltic countries (over 40%).

This phenomenon could be imputed not only to the reaction of men who wish to keep their power bases, particularly in the fields of financing and marketing, but also to a lack of self-organisation on the part of women who, to counter this situation, must overcome a certain inferiority complex or sometimes a lack of ambition, even when abilities are not called into question.

The fact that numerical equality in employment has been practically achieved today in many European countries does not mean that the same is valid for equal opportunities. In other words, the fact that almost half of the workforce is female in a country such as France, does not mean that women now have the same opportunities as men in terms of choice of jobs, access to higher hierarchical levels, pay, responsibilities and social recognition corresponding to these responsibilities.

An interesting case is that of Portugal: in spite of a very strong imbalance between the sexes in the sharing of unpaid tasks, the professional integration of women is outstanding: a high proportion of women in employment (60%), part-time work for women hardly developed (7%) and a high proportion of the presence of women in the group of professions requiring higher education (50%).

Today, almost as many women work in Portugal as in Sweden and, in terms of professional careers, they are relatively more successful, in spite of the very slow development of family aid structures and an extremely uneven sharing of domestic and family tasks.

1.4. Shortened vocational training

In spite of greater success in obtaining the most sought-after degrees and diplomas, it must be noted that in the field of vocational training, women, for the most part, only benefit from a simple proficiency training and rare are those who form part of the pool of executives identified as having a high potential.

1.5. The feminisation of certain professions

Everywhere in Europe, a dual situation can be noted concerning the breakdown of professions: qualified jobs for women are developing in certain sectors, enabling women to enter intellectual, scientific and technical professions (high-ranking executives in the public sector, researchers, teachers, computer programmers, judges, lawyers, etc.) ; at the other end of the social pyramid, the massive and generalised feminisation of administrative professions is being reinforced, in the form of jobs needing few qualifications. Traditionally the

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4 J.P. Fitoussi, O Passet, J Freyssinet : Rapport au Conseil d’Analyse Economique, La documentation Française, Paris
intermediary health professions have always employed a majority of women. Other professions have followed the same example, teaching in particular, which has certain repercussions, particularly in sensitive areas.

A source of inequalities, this concentration of women's jobs in certain fields is also, paradoxically, one of the explanations for the growth of the activity of women, for even if the employment of women has continued to increase in spite of the job crisis, it is because the majority of them work in the tertiary sector and in sectors that have been relatively spared: press, liberal professions, medical careers, etc.

2. A problem of women in relation to men in accepting their status

2.1. Linked to the "pressure" of ensuring the renewal of generations

which places women in a situation of absenteeism in the firm for several months on several occasions. In these conditions it is difficult for women to plan their careers as the law of nature upsets these plans. This observation is not to be found everywhere: in the United Kingdom, West Germany (4) and the Netherlands, the discontinuation of the professional activity of women to enable them to look after their very young children remains a relatively strong characteristic of women.

2.2. The "Janus" woman with several professions 6:

Today, the majority of French women old enough to work combine professional activity and family life (80% of the 25-49 age group in 1999). France shares «this social standard» with the Nordic countries (85% in Denmark, Sweden and Finland). Thus, in France, the length of time devoted to domestic tasks every day is 4 h 14' for women and 2 h 12' for men: cooking, washing and ironing, housework, care and education of children, shopping, odd jobs, gardening, sewing and different domestic tasks (urban population aged between 18 and 64 in 1998). On an average, a Frenchwoman aged between 18 and 64 and living in a couple, devoted 19 h 26' to her professional activity and 29 h 36' to domestic work per week. For a Swedish woman, in the same conditions, these times were respectively 22 h 04' and 23 h 41'.

2.2.1. Manager of the domestic life of the household...

It is often women who hold the "purse strings" for family purchases.

2.2.2. ... with men being tempted to confine them to these tasks,

even if a better sharing of domestic tasks between men and women, for executives and members of the higher intellectual professions can be observed. At the other end of the scale, self-employed men participate less than employees in the couple's domestic tasks. As a general rule, women with higher education degrees or diplomas succeed in negotiating a more balanced sharing of domestic tasks.

3. Could the status of women at work be improved and how?

3.1. Seeking more fairness in the sharing of roles?

Two major handicaps are sources of inequality between men and women:

- the first, cultural, on the sharing of tasks in the couple.

This is slowly in the process of changing, although it is more marked in Nordic countries than in Mediterranean countries. After centuries of inferiority of the status of women, a change of mentalities is under way, preceded by the entry of women into economic life at all levels. It should be observed that during the last decade, the gap between men and women in the sharing of household tasks decreased everywhere in Europe, to the advantage of women.

- the second, of a natural order, concerns motherhood and the education of children.

In this regard, the Swedish example deserves to be mentioned once again: in 1974, a parental leave of absence (from work) of 16 months was instituted, with 80% of the salary for the first thirteen months and an all-inclusive sum for the last three months. This can be shared between both parents at their convenience. Paid holidays also exist (up to one month per year), if the children are ill.

3.3. Integrating Information and Communication Technologies (ICTs)

The ICTs have created advantageous new forms of work for women, because technology makes it possible to transfer the work to the home and to better reconcile work and family life.

5 M. Maruani CNRS : Le Travail à contre-emploi. Questions sur l'avenir du salariat féminin, «Projet» magazine, N° 246
3.4. Women's rights and the enlargement of the E.U.  

The principle of equal pay for women and men was clearly expressed in Article 119 of the Treaty establishing the European Economic Community, as the right to «equal pay for equal work». Similarly, the Treaty of Amsterdam instituted several measures which embody this principle, reaffirmed during the Lisbon European Summit of March 2000.

4. Actions already undertaken

4.1. Aid for families

Different forms of aid exist inside the E.U. These are benefits and/or tax reductions, or even a real wage for the mother who stays at home.

France, with the Nordic countries and Belgium, is one of the countries offering a high level of benefits in this field.

4.2. Creation of reception areas for families

These are nurseries with, however, some disparities between the countries. Thus, in Germany, the number of nurseries for children of pre-school age is still insufficient today to enable women to work full-time.

The firm is sometimes led to establish an adapted system of child minding so that its employees can combine professional and family life.

Questions

1. Should the contribution of domestic work to the national creation of wealth be assessed?
2. What price are States and public opinion ready to pay to perpetuate the natural role of women and thus guarantee the renewal of the human race?
3. Is it possible to imagine a society in which the permutation of the man/woman roles would come about almost naturally, without any psychological block?
4. What method should be given priority: reaffirming the value of professional qualities which take into account the specific features of women in professional life or the enforcement of quotas as in the United States?
5. How can this fundamental debate be carried out: reconciling the legitimate aspirations of women for justice and equality, on the one hand, and their irreplaceable role in bringing about a harmonious society, on the other?

The main points:

- Women have entered the professional world en masse. Whole professions are now feminised.
- The situation of women at work, still inferior to that of men, is tending to improve progressively, through higher education studies.
- Part-time work, an advantageous solution to be developed.

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7 Gérard Lebrun, « Promotion des femmes dans l'entreprise en valorisant leurs différences d'aptitude », Budapest Symposium - http://www.humanw.org/fr/acts/316.htm
9 « Existe-t-il un management au féminin ? » http://www.nouveleco.com
1. Observation: a continuing deterioration of the situation of the employment of young people

This observation applies to all European countries with the following specific features:

- In Italy, according to the ILO, almost one young person out of three is considered as being unemployed, (whether he declares to be without a job, looking for a job and/or available to take a job) whatever the level of training.

- As a general rule, the regions most affected are located in Southern Europe (Italy, Spain and Greece) and in Central Europe (Bulgaria, ex Republic of Yugoslavia, Poland).

- With regard to France, strong regional disparities can be noted: thus the period of unemployment is long in the South and short in Ile de France, Alsace, Rhône-Alpes, Brittany and Pays de la Loire, with a national average which nevertheless reaches a level comparable to that of Spain, that is, approximately 25%.

- The same differences can be noted between the regions in Germany: 6% in Bavaria, 7.5% in Baden Württemberg in the South, but 15% in Hamburg and 17.5% in Bremen in the North, and in the East, 18% in Brandenburg and 32% in Berlin. The national level is, however, less than 15%. The same situation applies to Sweden, Denmark and the United Kingdom.

- It is nevertheless the Netherlands and Austria that are the least affected since the unemployment rate of young people stands at 6%.

Since the 1980s, the recruitment of young people by firms has been facing two new phenomena with which it has been in a situation of competition: women resuming an activity on the one hand and, on the other, the unemployed themselves an increasing number of whom forms a reservoir of potential manpower.

1.1. In spite of the fact that the compulsory school leaving age has been raised and levels of training have improved

The reasons for raising the compulsory school-leaving age are the result not only of the strategy of increasing human capital but also of the effects produced by the shrinking labour market. It can be noted that the extension of the length of studies, partly due to the absence of perspectives of jobs for young people, has had a beneficial effect on unemployment itself, delaying its growth.

Where unemployment is high, the additional length of initial training takes the form of a relentless pursuit of higher education, given the low level of recognition of vocational training diplomas. Nevertheless, the demand of firms concerning the level of diplomas required depends on two factors: the perspectives of growth in the branch of activity and the internal training and promotion strategy.

The production system also follows the same policy, by recruiting people with high levels of education and training, associating this with a greater productivity.

It must be noted that the education and training systems are also given priority in a context of greater competition and competitiveness.

This process has been accompanied by action to give more value to vocational training (with the exception of Germany where the value of technical and vocational know-how has always been asserted), to which has been added greater recourse to combined training and work systems. Finally, forms of cooperation have been established between the educational system and other partners.

All in all, the education system has shown a strong capacity for adaptation in the majority of countries, in the face of the social demand and the changes taking place in the production system.
1.2. and the intervention of the public authorities:

This is the case in France with the introduction, in 2001, by the Socialist Minister, Martine Aubry, of special jobs for young people, whose modes have been changed by the following government. Even if this policy was motivated by good intentions at the beginning to both reduce the unemployment of young people and facilitate their integration into society, its modes of implementation have their limitations when the contracts come to an end.

2. What are the reasons for this?

2.1. Individual:

2.1.1. The degree or diploma:

The more qualified one is, the easier it is to become integrated into the world of work. The difficulties encountered by young people concern, above all, those who are the least qualified. This is extremely marked in France and the United Kingdom, and, to a lesser extent, in Belgium, Spain, Sweden, and Finland.

In Denmark, initial training is generally completed by professional experiences such as periods of training alternating with periods of work experience. On the contrary, in Italy, beginners are penalized whatever their level of education or training, even if this is very high.

As a general rule, the level of the degree or diploma is considered as a favourable sign of overall ability and adaptation to change. But in a context of the over-production of qualified people, the degree or diploma becomes both a prerequisite that is more and more necessary and less and less adequate for keeping one's place in the world of work, which has become demanding with regard to general culture (cf. Information Sheet 4). This race for degrees and diplomas can also be a source of disappointments. An employer who is seeking a candidate with a Bac + 2 (Advanced Level plus two years of higher education) would have reservations about taking on a Bac + 5 (Advanced Level plus five years of higher education), even if this latter is ready to accept a lower level of pay. What is more, a self-taught director could be afraid of the imbalance that could arise in his hierarchy following the arrival of a young, over-qualified, employee.

The professional experience acquired during training courses and work placements is, of course, a "bonus" when looking for a job.

2.1.2. The specialisation of the training received:

In France particularly, graduates of engineering colleges are always needed, and, with the growth of the tertiary sector, graduates from business schools and 3rd cycle university graduates who are advantaged by the development of qualified work. As for literary and artistic training, which a few years ago had very few openings, the new forms of communication have opened posts to young graduates, particularly with the development of the use of Internet and its corollary, the creation of websites; hence the appearance of new professions calling for semantics, graphic arts, etc.

2.1.3. Gender:

With the same degree or diploma, the wages of women remain inferior to those of men, a gap which has been reduced over the past 10 years. However, girls are often more successful in their studies than boys, with the result that firms are led to recruit more and more girls. Already, certain sectors of activity employ a majority of women: professions in the legal field, banks, medicine, teaching... On the contrary, however, promotion to managerial positions and directorships still remains limited except in Scandinavian countries.

2.2. Sector-based:

We can observe here a strong convergence in the countries of the European Union, in which young people are often to be found in the « individual service » sector (shops, hotels and restaurants, households

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6 "Les emplois jeunes dans les collectivités locales », June 2001, Céreq Bref N°176
7 "L'emploi des jeunes, premier terrain d'expérimentation du libéralisme social », Le Monde newspaper, 30 July 2002
10 "Diplômés de l'enseignement supérieur, la reprise de l'emploi ne profite pas à toutes les filières », September 1999, Céreq Bref N°156
employing staff...) and in the tertiary sector in particular. This tends to partly compensate for the jobs destroyed in the industrial sectors.

Inversely, a certain number of trades, in spite of the communication and information efforts made (« Open Days »), do not succeed in attracting young people: food and catering (cooks, butchers), nurses, carpenters, workers in the building trade, heavy plant drivers, and employees in the hotel industry. In France, only one out of three vacancies for gardeners is filled.

2.3. Consequences

2.3.1. Atypical contracts

These concern fixed-term, temporary work and part-time work contracts. These atypical contracts take different forms depending on the country:

Part-time work is widespread in the United Kingdom, the Netherlands and Sweden, much rarer in Spain, Italy and Germany and midway between the two in France. As for Sweden, atypical employment for young people (short part-time work - 19h) makes it possible for them to combine secondary or higher studies and paid work.

The temporary contract is frequent in Spain (¼ of young people under 25 years of age) and limited in the United Kingdom. In Italy, the temporary contract is the prerogative of young higher education graduates, whereas generally, in the other countries, it concerns young people with few qualifications.

In Spain, there are 2 forms of using the fixed-term contract: as a way of selecting a well-trained workforce or people for jobs needing few qualifications.

2.3.2. Downgrading

By downgrading, we mean "the fact of occupying a job whose level is inferior to what it should normally be, given the initial level of education or training".

To escape from unemployment, young graduates are obliged to accept basic jobs which do not correspond at all to their levels of degrees or diplomas.

3. The demographic reversal: a factor of improvement for the employment of young people?

For the past 20 years in France, there has been a lack of approximately 100,000 jobs every year, to absorb the flux of the arrival of young people on the labour market.

From 2005-2006 onwards, this gap should be reduced and reversed, given the retirement of the children of the baby boom of 1946.

From 2010 onwards, the curves should be reversed since the number of young people leaving the educational system will not enable available jobs to be filled (Information Sheet 2.3).

This could result in a new order for the labour market which could be accentuated by a favourable economic situation and the expansion of new technologies which encourage firms to seek staff members which are even more qualified.

This purely statistical observation, which is valid for the whole of Europe, will, however, be accompanied by major distortions due to the factors mentioned above:

- difficulties of recruitment on the part of insalubrious or dangerous branches of activity or branches whose reputation is not particularly well known,

- problems in satisfying the considerable need to fill jobs in fields which are rarely, or not at all, profitable (aiding people),

- obstacles to the integration of young people in a situation of academic failure, who are rejected by the world of education and undesirable in the world of work,

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14 Lorenzo Cachón : « Transitions professionnelles des jeunes en Espagne », IRES magazine, N° 31, 1999
15 « Le Céreq à 2005 », July 2000
16 Michel Godet : Le choc de 2006, Odile Jacob, Paris

Information Sheet 1.5 – The employment of young people
4. **Attitudes of young people to work**

These are different from those of their parents and grandparents:
- a decline in their sense of obedience and sometimes in their application at work,
- scepticism about the future and consequently about the need to have savings,
- the need for consumption, attraction for the modern communication media,
- an early desire for independence with regard to the parental environment,
- individualism, less interest in collective action and trades unions,
- loss of the sacred aura of work, increased importance given to bringing up children, the family and leisure activities.

**Questions**

1. How can the policies aimed at guiding young people towards the trades and professions of tomorrow be made more effective?
2. By what means can the spirit of enterprise be encouraged amongst young people?
3. Given the demographic perspectives and the decrease of unemployment, what attitudes will young people adopt in the future to the educational system: percentage of children in full-time education and increase in the length of studies? Short vocational studies or long general studies?
4. Does the lack of perception concerning jobs over the next 5 years only concern those connected with the evolution of new technologies, knowing that for « basic » jobs the demand will always remain very strong?
5. Can alternating training and apprenticeship be promoted as recognised forms of training and professional experience be endorsed at the different levels of higher education? In this case, could the placing of vocational studies in secondary schools and sixth-form colleges under the co-responsibility of firms and educational systems be envisaged?

**A summary of the main points:**

- Young people are still disadvantaged with regard to entering the world of work. Their rate of unemployment is higher than that of adults. Temporary social measures (special jobs for young people...) are far from perfect.

- Qualifications are important in this regard, but the accumulation of degrees and diplomas is not always a miracle solution. Inversely, a total lack of qualifications leads to precariousness and delinquency.

- Amongst the improvements possible, a rapprochement between firms and the world of education would appear to be highly desirable.
The future of work in Europe: ethics and globalisation

Information Sheet 2.1: Working conditions

The history of working conditions cannot be separated from the history of trade unionism. Trade Unions date back to the first Industrial Revolution of the 19th century and the major social conquests, acquired through negotiation with the employers or following conflicts, continued during the first half of the 20th century: the right to and the protection of trade union representation, limitation of working hours, weekly rest days, paid holidays, specific conditions for shift work and night work, hygiene and safety committees, works councils and similar consultative bodies, limitation of the right to carry out individual and collective redundancies, severance pay due, etc. Progressively and to alleviate these constraints to their freedom, employers have developed the practice of sub-contracting and, above all, recourse to atypical work contracts, such as fixed-term work contracts.

The development of unemployment in Europe has reinforced the pressure placed on candidates for salaried jobs, who, unlike workers in a firm, cannot take advantage of the support of a trade union, but only of the national legislation concerning them.

Also, although this is a great reducing factor, we will deal exclusively below with the working conditions linked with employment and its precariousness as we feel that this is a major concern in Europe at the present time.

1. Context: Global and massive unemployment in the European Union

The unemployment rate which averaged 7.6% for the 15 countries of the previous E.U. (in 2000) is extremely variable from one area to another. This rate varied on a scale from 1 to 5 (from 2.4% for Luxembourg and 2.7% for the Netherlands to 11.4% for Spain).

1.1. Causes

In an increasingly competitive economic environment, firms are seeking more flexible and more innovative forms of organisation and production to increase economic performances, given the technological evolution, the preferences of consumers and globalisation. Even if the economies of developed countries create more and more wealth, it is with fewer unqualified or less-qualified workers.

Globalisation

Frontiers are tending to disappear, the movement of goods and persons is facilitated and, in particular, capital is being invested where the cost of work is the lowest. (cf. Information Sheet 1.3, The impact of globalisation).

The NICTs

Today, technological progress, whose development is intensifying, creates new jobs, but also destroys jobs where few qualifications are required. (cf. Information Sheet 1.2, The impact of new technologies).

2. Effects: a proliferation of atypical contracts and the increase of precarious jobs

Firms are faced with ever-increasing competition and must therefore be able to rapidly adapt their supply to the level of demand. One of the adjustment variables is employment.

This means that it is difficult for an employer to offer a permanent contract when his own perspectives are sometimes not clear for more than a year ahead. Furthermore, labour law regulations mean that it is often easier and less costly for a firm to take on a temporary worker, rather than recruit a new employee. New forms of work and contracts are thus developing:

2.1. Part-time work

<table>
<thead>
<tr>
<th>Part-time workers (% of total employment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands 41%</td>
</tr>
<tr>
<td>Austria 16%</td>
</tr>
</tbody>
</table>

Source: Eurostat – 2000

The data in the above table concern the percentage of the volume of part-time work (in hours) compared with the total volume of work. These rates are evidently higher in percentages of the working population concerned (In France, 5.4 million people are concerned).
The future of work in Europe. Ethics and globalisation

A «part-time worker» means an employee whose normal number of working hours is inferior to 4/5 of the legal weekly number of working hours. (Convention No 175 – ILO, that is, for France, 28h. per week). The average weekly length of part-time work in France is 23 h.

The percentage of part-time work in total employment has regularly increased and is now stabilised at approximately 18%.

In the Netherlands in particular (See Information Sheet 1.1) a deliberate choice to facilitate part-time work has brought about a considerable decrease in unemployment.

In all the Member States, the majority of part-time workers are women (cf. Information Sheet 1.4, The employment of women).

As a general rule, part-time work can represent a form of flexible and voluntary work. Having said this, the quality of part-time jobs, in terms of pay, job security and career perspectives would appear to vary.

Between 1995 and 2000, the percentage of young people occupying part-time jobs has increased by almost 4 points, rising to 23%. In 2000, 61% of young Europeans who had chosen to work part-time did so in order to be able to combine studies and professional experience (cf. Information Sheet 1.5, The employment of young people, paragraph 2.3.1).

We can note a determination to facilitate, or even encourage, this form of employment, particularly in countries where unemployment is very high. Part-time work seems to be popular with the media and the public authorities and its advantages are often praised: it is considered as being in the interest of both workers and employers, while at the same time contributing to reducing unemployment.

For the workers, it has the advantage of enabling a better balance between professional life and family responsibilities or time devoted to other activities, such as leisure, training and civic involvement. For the employers, it gives them more flexibility to adapt the pace of their activity to the demands of the market.

The public authorities tend to think that the increase in the number of part-time jobs reduces the number of job seekers. In clear terms, unemployment figures decrease, but when part-time work is involuntary, that is, done by people who would prefer to work full-time, it can be assimilated with underemployment on the macroeconomic and macro-social scale. It is often a source of precariousness and exclusion. (see Information Sheet 2.6, paragraph 2.2).

2.2. Fixed-term contracts

The fixed-term contract has now become an important component of the work market. It should be noted that amongst European countries, Spain has recourse to this type of employment for over a quarter of its workers.

<table>
<thead>
<tr>
<th>Workers with a fixed-term contract (% of total number of jobs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
</tr>
<tr>
<td>27%</td>
</tr>
<tr>
<td>Denmark</td>
</tr>
<tr>
<td>9%</td>
</tr>
</tbody>
</table>

Source: Eurostat – 2000

The data in this table give the number of persons who work with fixed-term contracts, compared to the whole of the working population. Jobs without tenure in the civil service enter into this category. In France, for young people between 15 and 19 years of age, this percentage is practically the double of that indicated for all workers.

A factor of flexibility, these contracts contribute to accelerating the restructuring of the economic fabric and the transfer of jobs from industry to services.

A factor of integration, they are often a first professional experience for young people and therefore a stepping stone to a stable job.

They are also a factor of precariousness, as only 29% of people in precarious jobs find a stable job immediately after.

2.3. Temporary work

Temporary workers – 1999 (by number of persons employed)
(by equivalent full-time work, the numbers would evidently be lower)

<table>
<thead>
<tr>
<th>France</th>
<th>U.K.</th>
<th>Netherlands</th>
<th>Germany</th>
<th>Spain</th>
<th>Belgium</th>
<th>Portugal</th>
</tr>
</thead>
<tbody>
<tr>
<td>623 000</td>
<td>557 000</td>
<td>305 000</td>
<td>243 000</td>
<td>109 000</td>
<td>62 661</td>
<td>45 000</td>
</tr>
<tr>
<td>32 000</td>
<td>31 000</td>
<td>24 277</td>
<td>18 639</td>
<td>15 000</td>
<td>9 000</td>
<td>6 065</td>
</tr>
</tbody>
</table>

Source: International Confederation of Temporary Work Businesses - 2000
The temporary worker is employed by the temporary work agency that contracts out their work, through a commercial contract, to a firm that is a client of the agency. This is the definition of temporary work in the majority of Member States of the previous E.U., with the exception of Ireland and the United Kingdom where the contractual status of temporary workers is often not very clear.

Over the past ten years, the percentage of temporary work has doubled in all the Member States and even increased fivefold in Denmark, Spain, Italy and Sweden.

In 1999, between 1.8 million and 2.1 million people were employed as temporary workers in the E.U. The number of temporary workers varies according to the Member States. The Netherlands, France and the United Kingdom represent approximately 70% of the total number in the E.U.

It can be noted that in spite of the legal framework in force in the Member States, there are clearly ways of circumventing the regulations on working hours and pay.

With the exception of the three Scandinavian Member States, the majority of workers are men who are most often to be found in the two sectors of industry and the building trade.

Temporary work is popular amongst young people: the under 25s represent between 20 and 50% of all temporary workers.

Recourse to temporary work is often a result of economic factors: establishments, which are subject to fluctuations of the international markets that it is difficult to anticipate and the pressure of head offices, clients and shareholders, often turn to temporary workers. These establishments, which are often industrial, generally use qualified, male workers; many such establishments have also adopted cutting-edge technologies and innovations in the field of organisation.

On the other hand, temporary work can be a factor of professional development. For certain, it represents a personal choice: refusal of hierarchic constraints linked to the salaried staff system, the wish to discover new functions, a desire for independence and the attraction of good pay. For others, it is, on the contrary, a factor of professional precariousness or social vulnerability, or again, to be one of those workers for whom insalubrious or dangerous work would be reserved.

There is also uncertainty concerning a regular income which penalises temporary workers for their access to housing and to loans. Consequently, in France, a certain number of actions are carried out for temporary workers: the Fonds d'Action Sociale du Travail Temporaire (Social Action Fund for Temporary Work) has established a system of guarantees for housing and aid to facilitate access to consumer credit. It also has specific social action services. Furthermore, the temporary work agencies have launched a training policy representing approximately 2.5% of the wage bill.

2.4. Work placements and special jobs for young people generally serve as front doors to opportunities in professional life, but can also contribute to the precariousness of employment.

Certain firms sometimes tend to abuse the system and use a large number of well-trained trainees, often with degrees and diplomas, whom they pay very badly, rather than take on a new employee.

2.5. Illegal or clandestine work

Illegal work represents a considerable part of the G.D.P. and concerns over 500 000 persons. This type of work, which is reprehensible and curbed to different degrees, concerns shops, the building industry, services, catering, maintenance, domestic help and car repairs.

It also covers not only illegal jobs occupied by foreigners without residence permits but also the work carried out by employees working overtime for their employers over and above legal working hours, or without the knowledge of their employers, work done during holidays, sick leave, periods of unemployment without being declared, self-employed workers or undeclared contractors. Apart from the absence of social cover in the event of an industrial injury or sickness, illegal work is characterised by a maximum amount of precariousness (absence of pension contributions, the right to unemployment benefits, etc.).

3. Yet the growth of these atypical contracts remains one of the remedies against unemployment in the European Union, which is experiencing an employment crisis.

Given the growth of atypical work, a framework regulating a certain number of new forms of work is currently being developed at European level, in order to avoid all forms of discrimination against the workers concerned and promote the quality and flexibility of this kind of work.

At national level, the Directive of 1997 on part-time work has been implemented in Denmark, Germany, Ireland and Sweden, and certain Member States of the E.U. adopted new legislation on part-time work in 2001.
Concerning work with a fixed-term contract, the Directive of 1999 of the E.U. has been implemented in Germany and Italy (following a joint declaration signed by many social partners), as well as in the Netherlands, Portugal and Sweden. In France, the law on social modernisation has imposed limitations on fixed-term contracts.

In the field of temporary work, legislation adopted in Greece has established a new legal character for temporary work agencies whilst in Finland, new legislation has specified that the employers of temporary workers should conform to the terms and conditions of the collective agreement in force in the firm that is the client, thus clarifying a confused situation. The new legislation on the work market in Germany aims, through temporary work agencies, to improve the possibility of integrating the jobless. Finally, the regulation of temporary work was the subject of a number of collective agreements in 2001 in certain countries of the E.U., such as Belgium, Germany and Sweden.

4. Remedies introduced to combat the precariousness of employment and the erosion of social cohesion

4.1. Sharing work: Reduction of Working Hours (Réduction du Temps du Travail - RTT)

This is the objective in France of the RTT, one of whose aims is to enable employees to have a better quality of life by increasing their free time. Its effect on the reduction of unemployment still remains to be proved, particularly as certain sectors of activities are experiencing great difficulties in implementing it (this is the case of the hotel industry, the hospital services...).

4.2. Corporate Social Responsibility

insofar as the employee finds a preponderant place in the firm for the creation of wealth (cf. Information Sheet 2.7, CSR).

4.3. Integration Firms

These mainly work to overcome the difficult problems concerning long-term and/or disillusioned unemployed people in order to put them back on their feet through a scheme of social supervision and get a foothold once again on the labour market (cf. Information Sheet 2.6 on Reintegration).

Questions

1. Does the inflexibility of labour laws, particularly in the field of breach of contracts not inspire firms to have recourse to more flexible systems: fixed-term contracts and temporary work?

2. How is it possible to bring about new behaviours to offset the feeling of exclusion inherent to the "jobless" when the production of wealth globally calls for fewer workers?

3. How can a social status and a sense of value be given to people who often, for very long periods, only have a precarious, temporary, threatened and/or low-paid job?

4. Can sustainable development reconcile the employee and the firm?

5. Is training a remedy against precariousness? Who pays the cost: the firm and/or society?

The main points

- In order to remain competitive, the often legitimate efforts of the firm to introduce more flexibility have repercussions on jobs: short-term or precarious contracts, irregular work paces, part-time work and sudden breaches of contracts.

- The repercussions are widespread for the workers in terms of insecurity and vulnerability.

- Nothing is sure with regard to the future. This uncertainty now affects all levels of the hierarchy.

- What kind of a balance can we try to find in this professional world where everything is ephemeral and uncertain?
1. Child labour

Two figures: - child labour in the world concerns : 250 million persons

The comparison between the two figures speaks for itself. Child labour is a subject that hardly concerns the European Union within its own borders, even with 25 countries. It is, however, faced with this problem, first of all in the context of globalisation. Many firms entrust all or part of their production, by sub-contracting it, to developing countries and are therefore concerned either directly or indirectly by this problem.

On the other hand, child labour is fairly widespread in European countries outside the E.U. (Turkey, Yugoslavia, Romania, Ukraine, Georgia and Russia), some of which are candidates to the Union in a future second phase of enlargement. Finally, through the immigration that arrives from Eastern Europe, new categories of child labour are practised in our countries, in the form of prostitution or begging.

1.1. Child labour in the E.U. countries remains at a low level

In the South of Italy, children are to be found in small industrial workshops where even the minimal conditions of safety are not respected and work for wages that are much lower than those of adults. Building and agriculture are sectors of activity where minors are still widely employed.

In Spain, children under 14 years of age work mainly in firms to which work is sub-contracted and in the shoe-making industry.

In Portugal, particularly in the North and Centre regions dominated by agriculture, almost 8% of children aged between 6 and 15 carry out domestic work or work in family firms for which they receive no pay. Although these children attend school the fatigue caused by regular work is a hindrance to their success at school.

1.2. Child labour in countries near the E.U. is still largely widespread

1.2.1. The link between poverty and child labour has been clearly established

Thus, in Russia, we can count approximately 1 million street children from alcoholic family environments; these children, between 10 and 15 years of age, work at night to survive and are forced to carry out dangerous, or even illicit, jobs.

1.2.2. Their entry into the work market is sometimes the result of social traditions

In Turkey, it is frequent for boys of 7 to 17 years of age to shine shoes and sift through dustbins. Their families consider these functions as legitimate as they contribute to the ultimate objective, which is to provide a living for the family community; furthermore, this will serve as a preparation for adult life by developing the qualities needed to become « real men » and by showing their solidarity towards the family.

This dominant patriarchal feature of certain societies and discrimination with regard to girls would also explain why their exploitation in domestic work, or even, to a certain measure, in the sex trade, is considered as normal.

Consequently, from 12 years of age onwards, young Turkish girls from large families (7 or 8 children) only work in the home. Culturally, it is considered dishonourable for girls to work outside the home. As for Russian girls (10-15 years of age) they are sometimes forced into prostitution.

1.2.3. Consequences: serious repercussions on the children’s health

As they work 14 hours a day, the young Turkish boys who sift through dustbins develop diseases such as hepatitis A and B, HIV and « coliform » tetanus. Similarly, in Bucharest, many children of Romanian and gypsy origin are exposed to accidents and diseases on account of their work (begging, washing cars and car parks...).

1 « Street Children in Saint Petersburg », ILO Magazine: N°41, December 2001
3 « Child Labour in Romania ». ibid., 2001
4 « Près de 2,5 millions d’enfants au travail dans les pays industrialisés », May 2002 - www.cyberpresse.ca/reseau
1.2.4. ... with a lack of education and school infrastructures

Consequently, these children who are unable to reconcile attending school with an exacting and tiring job cannot develop intellectually, abandon their studies and are limited to an elementary education or training.

A vicious circle is thus created since inadequate education or training during childhood and adolescence can result in a poorly-paid job when children become adults. The low income of the household and the little value given to studies encourage child labour once again for the next generation.

2. Trafficking in children

2.1. How does this trafficking work?

This trafficking has recourse to force, persuasion and deception (including the administration of drugs), and sometimes the complicity of the family. Sometimes children also contribute to an increase in trafficking of their own accord, as they are totally ignorant of the reality that awaits them on their arrival. Different practitioners participate in this trafficking, such as touts, intermediaries, transporters and owners of brothels and night clubs.

2.2. The different components of trafficking in children considering the economic, political, social and cultural context

The collapse of the Soviet Empire and the break-up of Yugoslavia have intensified poverty and fostered the emergence of criminal networks.

Political conflicts also often encourage mass, national and cross-border migration, since the populations endeavour to escape from the violence and persecution based on race, ethnic group, gender and beliefs.

These conflicts were at the source of an increase in trafficking in Albania, former Yugoslavia, Kyrgyzstan...

2.3. The in-depth causes of trafficking

These result, above all, from the existence of a child labour and prostitution market. In addition to the supply and demand, trafficking is encouraged by phenomena linked to the rapid globalisation of the economy: a broader opening-up of frontiers, improvement of transport and the increase of migratory flows.

In Western Europe, the demand for prostitution is very high. The trafficking aimed at supplying the European prostitution and pornography market corresponds to the demand of men from relatively rich countries. Furthermore, the sexual exploitation of children for commercial purposes rapidly weaves its web through Internet websites (pornography, paedophilia).

2.4. The circuits used by trafficking

This is a national, cross-border and trans-regional phenomenon. The children are often illegally transported from rural regions to the large towns of poor countries. Trafficking is carried out towards richer neighbouring countries and beyond. Transport is by land, air, rail or sea.

2.5. Geographical breakdown

The interregional trafficking in girls from Eastern Europe to Western Europe is in full expansion. The supplier countries are Russia, Ukraine, Romania, Lithuania, Moldova, Armenia, Azerbaijan, Bulgaria, Slovakia, Hungary, the Czech Republic and the Balkan region. Georgia and Kazakhstan are suppliers of both girls and boys (prostitution and work).

The receiving countries are Germany, Italy, France, Belgium, Greece, Poland, Turkey, etc.

2.6. Repercussions of child trafficking

In extreme cases, it can lead to the death of the child or irreversible harm to his or her physical and psychological health. It also results in drug addiction and the breaking up of families and deprives children of their rights to education.

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6 « World Conference against Racism, Racial Discrimination, Xenophobia and Intolerance », September 2001
7 http://www.un.org/english/WCAR/docs
8 « Women and Armed Conflicts », ILO Magazine : n° 42, March 2002
9 « The Sexual Exploitation of Children » www.cyberpress.ca/ressau
Once trapped in the ghetto of prostitution, many children are forced to suffer the violence of clients, endure physical and psychological abuse due to sexually precocious activity, without overlooking the dangers linked to STD and HIV/AIDS. The situation of girls is particularly difficult: they are exposed to early pregnancies and motherhood and to diseases of the reproductive system which could compromise their fertility.

3. Awareness

10 years ago, data and research on the causes and effects of child labour were rare, as well as projects for action to prevent this.

Public opinion is still too indifferent to child prostitution. This problem is all too often a taboo in the public conscience.

3.1. What action and projects exist to prevent this scourge? Who participates? How? Results?

There are deficiencies in national and international policies. These deficiencies facilitate the action of intermediaries and trafficking in children. Even the existence of legislation is no guarantee that the law will be enforced and that those who are responsible for enforcing it have the means to do so. In the final analysis, international legal cooperation is absolutely necessary to eradicate this scourge.

3.2. International programmes:

ILO:  - Convention n°182 (1999) concerning the Elimination of the Worst Forms of Child Labour (116 countries),
      - Convention n°138 (1973) concerning the Minimum Age (113 countries).

IPEC (International Programme on the Elimination of Child Labour),
World Day against Child Labour proclaimed on 12 June 2002...

UNO:
- UN Convention against Transnational Organised Crime,
- International Convention against Trafficking in Persons,
- International Convention (under way) on Cyber-Crime.

3.3. European Union programmes under way:

DAPHNE, STOP, Activities: Interpol, Europol, Eurodac... NGOs working in Central and Eastern Europe... 

Questions

1. Would it not be possible to make entry into the European Community dependent on the respect of a code of good conduct in the field of child labour and the exploitation of women, and not only on the respect of economic convergence criteria?

2. Can child labour be really regulated other than by the eradication of poverty?

3. Would it not be necessary to reinforce cooperation in the departure and arrival countries of this trafficking in order to eradicate the criminal trafficking of children?

4. How can the harmful effects of Internet and websites, such as the development of a market of perversity and soliciting, be neutralised?

A summary of the main points:

- Child labour mainly concerns the Third World.
- The countries of the European Union are faced with this problem in different capacities: there are still children who work in the Mediterranean countries. The enlargement of the Union in 2004 will intensify this problem, as child labour is widespread in the new Member States.
- Child beggars and prostitutes are on the increase in rich countries.
- The work of Third World children concerns Western countries through globalisation, subcontracting and imports.

Information Sheet 2.2 - Child labour and degrading work
1. Observation: the factors that influence the decision to migrate

The attraction of the consumer society brought about by the world dissemination of the Western media and the development of transport, given its reduced cost, intensify the phenomenon. It should be noted that Germany, on its own, groups almost half of the Union’s foreigners in 2003. Even if the migratory movement goes back a long time, the forms of migration have greatly changed. The 19th century witnessed an explosion of transatlantic migratory movements and trade between Europe and the United States.

At the beginning of the 20th century, 33 million Europeans emigrated to the United States or South America. After the Second World War and the large-scale migratory flows of the years known as the “glorious thirties,” the first oil shortage of 1974 resulted in a severe restriction in entries. This restriction was aggravated by the gains in productivity of the 1970s and 1980s, reducing the need for unskilled labour. Even if the majority of immigration remains composed of unskilled people from the countries of the South, migrations from East to West are tending to increase.²

In Europe, the progressive opening-up of frontiers between the countries of the European Union, which began with the Treaty of Rome in 1957, resulted, in 1993, in the entry into force of the « Schengen area », extended in 1998 to 13 countries, plus two non-signatories (Iceland and Norway). This Agreement established the movement of the citizens of the E.U. and harmonised political policies concerning foreigners, asylum seekers and illegal immigrants.

1.1. Migratory flows from the « South » to the « North »

As a general rule, people motivated by a desire for training or material security that the local economy is unable to provide, leave the countries of the South to seek training or employment in the countries of the North. Sub-Saharan Africa is the region the most affected, with an average rate of expatriation higher than 20%, whereas the world average is in the region of 5%.

For all the fifteen countries of the Union in 2003, the foreign population from countries outside the Union numbered 9.5 million people in 1990 and 12.9 million in 2002, that is, an increase of 3.4 million (+35%). (Eurostat)

Concerning the specific case of North African migrations to Europe, the breakdown of the populations in the main European countries is the following (in %) ³.

<table>
<thead>
<tr>
<th>Country</th>
<th>Moroccans</th>
<th>Algerians</th>
<th>Tunisians</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>16</td>
<td>17</td>
<td>6</td>
</tr>
<tr>
<td>Netherlands</td>
<td>20</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Belgium</td>
<td>15</td>
<td>1</td>
<td>0.5</td>
</tr>
<tr>
<td>Italy</td>
<td>11</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Germany</td>
<td>1.1</td>
<td>0.2</td>
<td>0.3</td>
</tr>
<tr>
<td>Spain</td>
<td>18</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>


These, of course are official figures which do not take into account illegal migrations. The migratory potential risks could still remain high in the year 2010, the date planned for the entry into force of the free exchange area between the EU and certain third countries of the Mediterranean.⁴

1.2. Migratory flows from East to West ⁵

The migratory movements from Eastern Europe to the countries of the European Union (in 2003) will increase in the years following the enlargement, for several reasons:

- the population decrease in Western countries, giving rise, at long term, to the need for considerable manpower in the year 2010 and after, a need that these countries do not seem to be able to cover by their own resources,
- the unemployment rates in Eastern Europe, which are higher than in the previous E.U. (e.g. 16% in Poland and 19% in Slovakia), which could well increase with the forthcoming restructuring of agriculture and heavy industry,
- the differences in wages, which will have a considerable power of attraction,
- the preference of the countries of the E.U. for arrivals from the East, rather than from the South, for cultural and historical reasons.

During the past 5 years, the 10 countries that joined the E.U. in 2004 have provided an influx of 145 000 people, to which must be added 40 000 from Bulgaria and Romania. In the new Union, from 2004 onwards, it is announced that between 4 and 7% of the population of the Baltic States, Poland, the Czech Republic, Slovakia, Hungary and Slovenia will move to Western Europe between now and the year 2020, that is 3 to 5 million people from Central Europe. The main destinations would be Germany, Austria and Scandinavian regions, as well as Switzerland.⁶

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2 « Le rôle des migrants, élément essentiel d'une nouvelle politique de coopération », January 2002
3 www.bcc.fr/travail/avis/upload/avismigration.pdf
8 « 4 à 7 % des Européens de l'Est vont-ils migrer vers l'UE ? »
9 International Migrations in Europe, Futuribles magazine, N° 279, October 2002

38
It is the attraction of better-paid jobs that encourages people to emigrate. In 1995, the hourly rate of the workforce in the manufacturing industry was 1.70 $ in Poland, compared to 13.77 in the United Kingdom, 19.34 in France and 31.88 in Germany.

This difference in wages is particularly marked for trades for which the demand for migrants is high. In Belgium and the Netherlands, the priority sector is that of the extraction and processing of minerals, in Denmark and Germany, the manufacturing industry, in France and Luxembourg, building and public works, and in the United Kingdom, the service industries.

1.3. Migratory flows inside the European Union

The number of European Union nationals residing in a Member State different to their own has been estimated at 6 million. The increase of 400 000 persons registered during the past ten years shows the reinforcement of links inside the European Union.

2. Why do people migrate?

2.1. First of all, to respond to a demand and in order to improve their own situation

2.2. People go to a rich country with a recognised skill in order to offer it to the country where it will have the most value

It appears that the emigration of skilled or highly-skilled persons to economies where there is a high level of knowledge has constantly increased over the past few decades and has been increasing even more rapidly, especially over the last few years.

The segments of the labour market concerned are growing in the OECD countries. At least 1/3 of the researchers and engineers from developing countries are working today in OECD countries. In the sectors of science and information technologies, where Indian or North African specialists come to compensate the shortage of French, British, or German specialists, the problem is well known.

2.3. To escape from a tax policy that is not very favourable

We only need to recall the phenomenon of the migration of « Golden Boys » to the City of London to understand the extent of the tax imbalances that exist in the E.U. in the field of income tax. Migration towards other areas considered as « tax havens » such as Luxembourg, is all part of the same reason.

2.4. Migrating to a rich country is a goal or a mirage for succeeding when one is extremely poor

This is often the case of illegal entries. To combat this illegal immigration, States are trying to establish measures, but these are not always adequate or effective against the tenacity of the candidates, the networks of traffickers and dishonest employers who exploit this form of modern slavery. We would, however, like to point out that even the worker who is not officially declared, particularly in the building or clothing sector, can correspond to a real job vacancy.

A French specificity concerns illegal immigrants from Black and Northern Africa who benefit from the social advantages recognised by French laws for family reunification.

3. What volume of demand is there in European countries ? And what are the needs ?

Given its demography, the whole of Europe will need the contribution of foreign manpower, including Italy and Spain which were formerly countries of emigration. As a general rule, the main difficulty for the employers is the lack of skilled personnel, particularly in the sector of the new technologies. As far as governments are concerned, the questions are different: how is it possible to adapt the flows, in quality and quantity, to the demand ? And on what criteria should the countries of origin be selected ?

Basing their study on demographic data, some experts state that between now and 2050, several dozen million people will be needed to fill the vacancies left either by people retiring or by the decrease of the birth rate in the developed countries of the E.U., all jobs considered. But these quantitative considerations do not take into account two major factors of the demand, namely, the qualitative needs and the evolution of technologies. Contrary to many catastrophic announcements, it is probable that the regulation of the market will come about if globalisation and technological changes are taken into account.

4. What fate is reserved for immigrants?

Even those who correspond to real needs are often subjected to discrimination : level of remuneration, housing, lack of access to certain reserved jobs, precariousness or limited rights.

Information Sheet 2.3 – Child labour and degrading work

8 « The Number of Migrants in the World Exceeds 120 million », ILO, /March 2000
9 « The Brain Drain », ACP-UP Courier, July–August 2001 (pages 46, 47, 48)
14 « Actions and Jobs Closed to Foreigners » - http://gis Juli.org/dossiers/emplois/actions.html
15 « Emplois et droits soumis à une condition de nationalité », Les échos de la presse,
http://gisui.org/dossiers/emplois/presse.html
5. What is the answer of the European Community? Is there a joint European policy? 16

All the Member States of the Union have confirmed their determination to implement a joint policy in the field of immigration. With particular regard to illegal immigration in Europe 17, it should be noted that it is less a matter of individual initiatives (more or less spontaneous) of men and women seeking hope, freedom or a better life. It is often carried out under the control of powerful mafias who take advantage of the easy financial profit represented by the exploitation of illegal immigrants. These mafias ignore the law.

These illegal workers can be found particularly in the building, clothing, agricultural and domestic work sectors. Finally, the increased demand for communitarianism on the part of minorities should be the subject of consultation between the countries of the E.U., in order to harmonise their policies which, at the moment, are very different from each other.

6. Migrations, development and cooperation

The currently accepted idea: "let us aid development in order to stop migrations at the source", has shown itself to be false, at least at short term. Studies have shown that development accelerates emigration at the beginning. It is only after a long period that a noticeable improvement of their living conditions finally keeps the populations which have benefited from development in their own countries.

The funds transferred by the emigrants to their countries of origin represent considerable sums, showing that the expatriates feel that they have the duty to aid their families (up to 900 € per year and by migrant are thus sent to the villages). The money sent partly covers the deficit in the commercial balances of Mali, Senegal and Mauritania. This precious aid most often only has a marginal influence on the development of the regions or countries which benefit from these transfers (mainly on account of the obstacles raised by patriarchal societies). 18)

The NGOs and civil society have a fundamental role to play by carrying out local and decentralised projects on a reasonable scale, in conjunction with the populations concerned and in giving priority to the training of men and women, the collective and democratic participation of citizens (in particular, women, in Black Africa) and the use of all skills, including those of executives.

Questions

1. Do the immigrants of Central and Eastern European countries really correspond to a demand or will they, with the approval of the E.U., increase the horde of people receiving assistance?
2. Does the entry of Central and Eastern European countries into an enlarged Europe represent a danger for the countries of the South as far as migratory flows are concerned? 19
3. What assessment can be made of the contribution of immigrants to the development of their countries of origin, and also of the impoverishment resulting from the brain drain of highly qualified emigrants, generally trained in Western countries?

A summary of the main points:

- The immigration that the rich countries are trying to control is inevitable.
- It is also necessary, given the decrease in fertility and the phenomenon of aging in the countries of the E.U. to be able to cope with future needs as far as jobs are concerned.
- If there are too many migrants, this poses problems of integration and assimilation. National identities are in question.
- It is difficult to make the adjustment between the needs of European countries for certain types of trades and professions and the qualifications of immigrants.
- A (long term) solution for controlling the massive arrivals of populations from the South to the North: development aid. 20

18 « Quand le Nord perd le Sud », Projet magazine No 241, Spring 1995
20 World Report on Human Development 2002, UNDP
1. Work-related health problems

1.1. Stress

Definition

Stress at work is caused when the demands of the working environment exceed the capacity of the employees to cope with this.

In the 15 countries of the previous European Union, work-related stress occupies the second place amongst the most frequent work-related health problems. It concerns, in fact, almost 28% of the working population. ²

It is a multiform stress that takes its toll ³...

- relational stress (irritability, anger) - physical stress (illnesses caused by the deterioration of the immune defence system) - psychological stress (anxiety, discouragement, depression) - a decline in intellectual capacities and difficulty in sleeping which can lead to a syndrome of nervous exhaustion.

... with considerable economic repercussions,

since 600 million working days are lost each year in this previous E.U. on account of stress, including over 40 million in the United Kingdom alone ⁴, thus causing a loss of approximately 20 billion euros per year in working time lost and in health care costs at E.U. level ⁵.

1.2. Moral harassment or «mobbing» ⁶

Definition

According to the French Law No 2002-73 of 17/01/02, moral harassment at work "is a series of repeated acts whose objective or effect is to cause a deterioration of working conditions liable to harm the rights and dignity of the employee, alter his or her physical and mental health or compromise his or her professional future".

There is no model profile of the victim of harassment ⁷ ⁸

Any person in the work environment, whatever its organisation, can be a victim of moral harassment. This affects 9% of European workers, that is, 12 million people.

The sectors most affected:

It is mainly to be found in the civil service ⁹ (National Education ¹⁰, hospitals and local authorities: 14%), but the hotel and catering industries and trade (executives and technical salesmen ...) and the service industries (check-out assistants, call centres...) are also affected (13%).

Finland, the United Kingdom, the Netherlands, Sweden and Belgium show the highest percentages.

The effects can be serious ...

- for the health of the employees: harassment can cause symptoms of stress which become overt psychological troubles, which can lead to a serious deterioration of health, or even result in suicide.

- for the firm: a serious disruption of activities, deterioration of its image, absenteeism, constant staff changes, industrial injury, overworking of staff, increase of compensation and of insurance premiums.

⁶ « Harcèlement moral au travail, contes français » - www.inrs.fr/dossiers/harcelement_moral.htm
⁷ « Moral Harassment in the Workplace », http://agency.osha.eu.int
1.3. Those people for whom work is a drug (workaholism)

This is when work becomes a drug:\n
It therefore creates a dependence on work with the result that it becomes an obsession both to have more and have the feeling of existing.

A phenomenon that is primarily Anglo-Saxon

This phenomenon appeared in the 1980s amongst those who are commonly referred to as the Golden Boys, particularly in New York, as the job function lends itself especially to this type of phenomenon, since the Stock Market, given the different time zones, are active 24h/24h.

The arrival of « start-ups » has intensified this phenomenon. This situation can be generalised to every agent who has an activity that he considers essential, not only to ensure his subsistence but also to give substance to his life.

When best becomes the enemy of well-being

For the firm, the effects could first of all appear positive since the obsession with work contributes to improving productivity, but eventually, this results in a counter-performance mainly on account of the weakening of the abilities of individuals as time goes by.

It is evident that the firm notices this and sanctions are soon taken: reduction or even suppression of bonuses, sacking and psychological troubles that sometimes lead to suicide.

2. The liberal model: a probable accelerator of these pathologies?

It is not only an individual problem arising out of certain conditions, but also a structural phenomenon which is part of a social, economic and cultural context leading to:

2.1. New forms of organisation of work: the urgency culture

56% of Europeans consider that they are subjected to extremely rapid work paces and obliged to respect deadlines that are much too tight.

The intensity that the employees say they feel (frequency of rapid work paces, deadlines that are too tight and the feeling of not having enough time) strongly varies depending on the work situations.

However, the intensification of work can represent a challenge for those who like to accept a challenge and manage to cope.

In the industrial sector, the « Modern Times » of Chaplin remains topical. Thus temporary workers in the industrial field beat all the records for industrial injuries and occupational diseases leading to a spectacular recrudescence of musculo-skeletal troubles (pathologies of pace of work and repetitiveness) amongst employees.

In this context, the working week reduced to 35 hours, contrary to the hoped-for effects, is in danger of shortening even more, the time during which it will still be necessary to do the same amount of work or even more.

The irruption of new computer tools and new communication techniques has stepped up pace in the workplace, makes the employees impatient and submerges them with information.

2.2. New forms of administration and management: the cult of performance...

The present management model, based on competitiveness and performance, introduces a permanent tension and aggressiveness, calling for the total mobilisation of the individual in the service of the organisation.

[Sources]

The firm tends to become a centre of excellence uniting «the most combative, ready to make all the sacrifices necessary to conquer the world» (Jean François Chanlat, Professor at HEC Management). Through objectives, the directors urge the employees to give themselves a hard time to attain the performance criteria fixed. The executives simultaneously combine the exercise of power, which calls for hindsight, and the exercise of a trade or profession which means «being totally at the forefront of their jobs» (Pierre Proust, Total firm).

As a result, people are more and more isolated and their identity is dependent on their professional life. Furthermore, the pervading narcissism means that they must always give the impression that they are succeeding.

2.3. ... all dictated by an aggravated competition: the urgency culture

Globalisation, competition, reduction of costs, deadlines imposed and the rapid development of new technologies all contribute to demanding the employees to try and surpass themselves all the time.

While work is becoming deprived of its physical substance, the firm is becoming increasingly governed by figures: the tyranny of results, standards and ratios of the «15% aimed at as a return on investment» and the creation of value. (cf. Information Sheet 1.3)

We are living in a culture of urgency (cf. Information Sheet 2.1), which is one of the responses to the economic hyper-competitiveness with which we are confronted (tyranny of the «zero stock, zero fault, zero delay»).

2.4. and all of this taking place in a social climate of insecurity.

An obsessive apprehension of precariousness and a permanent fear of being sacked if one is not judged as being efficient.

Given the extent of unemployment, the staff can rapidly be replaced by someone more efficient, younger, better trained, motivated and sometimes ready to accept a lower wage.

Shifted around by the reorganisations, restructurings and the incessant strategic changes of opinion, the executives lack long-term perspectives and suffer a loss of motivation.

3. Raising awareness

3.1. No specific legal regulations exist on the prevention of work-related stress.

In the United Kingdom, Ireland and Italy, there is jurisprudence. On the contrary, in certain countries, it remains necessary to prove that «occupational diseases» are unquestionably and specifically related to work (as in Luxembourg and Portugal) or that this relationship with work is the cause of death or a permanent incapacity (such as in France). In Norway, the legislation only recognises stress if there if a doctor’s certificate.

Negotiations on stress or psychosocial factors are not very well accepted by the employees who consider that these symptoms are specific to the private lives of employees or their individual personalities. It is only in Belgium, Denmark, Germany, the Netherlands, Sweden and the United Kingdom that certain clauses of collective agreements explicitly refer to stress and/or factors of psychosocial dangers and a prevention policy.

3.2. Harassment forms part of the concerns of current European legislation:

In France, the Labour Laws (Law N°2002-73 and Penal Code Art.222-33-2) makes it possible to punish harassment by a sentence of one year’s imprisonment and a fine of 15 000 Euros. Sweden, Denmark and Switzerland have also adopted legislation curbing moral harassment (mobbing).

3.3. Programmes to combat work-related health problems:

- Resolution (A4-0050199) of the European Parliament «Work must be adapted to people’s abilities and needs».
- Safework Programme «Solve» concerning psychosocial problems
- Charter on Fundamental Rights (Art.31): «Every worker has the right to working conditions which respect his or her health, safety and dignity».
- The European Agency for Safety and Health at Work and Hygiene and Health Committees
3.4. Means of action

- Involve practitioners and public and private authorities, in the framework of a good governance.
- Prevention: training days in the firms and awareness-raising in school curricula, particularly for those following vocational training.
- Develop international cooperation: ILO, WHO...
- Inside the firm, show that one is interested in the future of one's employees: information on strategies, shareholding on the part of employees, practice of stock options, lifelong training.
- Include these work-related health problems in the list of recognised occupational diseases, in order to give the employees suffering from such problems the right to benefit from sick leave and the medical services.
- Make the different health practitioners cooperate: company doctors, general practitioners, work inspectors, psychoanalysts and medical advisers.
- Change behaviours through a new conception and organisation of social relationships 17.

Questions

1. Is it necessary to enact regulations on non-discrimination concerning temporary staff (wages, training, hygiene and security), as the E.U. has already done for fixed-term contracts and part-time work?
2. Does hidden violence now form part of the range of management methods?
3. Do not solutions for the improvement of health and safety at work come up against the obstacles of profitability and competitiveness of the firms?
4. Would taking into account the idea of the social responsibility of the firm make it possible to partly eradicate this problem or not? (cf. Information Sheet 2.7)
5. Would possibly taking out an insurance policy to limit the risks of the employer who is responsible for the actions of his employees not lead to considering harassment as a simple financial risk, by over-looking the sufferings of the victims?

A summary of the main points:

- Work-related health problems are not recent. For a long time specific to the industrial sector, they now affect all sectors of activity.
- Knowledge of these troubles, their classification and research into their causes have greatly progressed over the last few years, giving rise to many studies.
- Laws are being introduced but always after the intensification of these problems.
- Stress related to urgency and the obligation to do everything in too short a time contributes to the increase of these new evils of the modern world.

THE FUTURE OF WORK IN EUROPE. ETHICS AND GLOBALISATION

Information Sheet 2.5 : Social protection

In its « Social Policy Agenda »1 addressed to the Council and the European Parliament after the Lisbon European Council (March 2000), the European Commission wrote: « European social policies have played a central role in building Europe’s economic strength, through the development of a unique social model... », and further on (p.12): « While the essential role of the Member States’ social systems in creating a cohesive society must be recognised, they now face a series of significant common challenges... In the longer term, demographic changes will strongly affect the structure of the labour market and labour supply and will put heavy pressure on pension and health systems... ».

Far from being uniform, social protection systems in Europe are extremely diverse. We will begin with retirement pensions then go on to health insurance and finally unemployment insurance.

A) The future of retirement pensions

1. Why does the future of the system of retirement pensions for elderly people pose a problem?

In Europe, the majority of pension systems are based on contributory pension schemes: the pensions paid to retired persons are financed by contributions paid by the working population.

1.1. A particularly unfavourable demographic situation ...

- The general fall in the birth rate combined with a longer life expectancy in all European countries, go hand-in-hand with a constant and marked aging of the population. In the near future, the age pyramid of Europe will be highly unfavourable.

- This is aggravated by the effects of the progressive retirement of the generations born during the baby boom (roughly between 1945 and 1970) which followed the Second World War: this will result, in the near future, in a “granny boom” from 2005-2010 onwards. For very long-term projections, this situation is only temporary, but will cover a period of some 25 years.

... which will bring about a change in the ratio of the number of retired persons to the number workers: In France, « the number of over-60s will increase by ten million between 1998 and 2040, whilst the number of workers who finance retirement pensions will decrease by over a million, if the current evolutions in the fields of immigration and activity persist. There would be 7 persons over 60 years of age for 10 persons of working age in 2040, instead of 4 for 10 as at present ».1 This change is even more marked in Germany, Italy and Sweden.

1.2. ... intensified by :

- the fact that many people arrive much later on the labour market, owing to longer periods of education and training, particularly for future degree and diploma holders from higher education;

- and early retirement. Thus, in France, the Charpin Report observes: « The perpetuation of measures of early retirement and their amplitude - 500,000 people in 1997 - have contributed to re-orientating how the employment of workers over 55 years of age is managed by firms. These latter now have recourse to early retirement to reduce their wage bill and rejuvenate their age pyramid ». It continues in recommending: « The policies carried out by firms and public authorities will have to be re-examined in the light of the aging of the working population that is looming over the coming years ».

1.3. hence a foreseeable large-scale financial imbalance in the future

The cost of pensions in France is currently estimated at 12% of the national wealth. Without a reform and with the hypotheses outlined in the Charpin Report, pensions could represent between 15.1% and 16.7% of the gross domestic product (GDP) in 2040.


Information Sheet 2.5 – Social protection 45
2. Retirement pensions by contributory pension schemes or pension funds?

Retirement pensions by contributory pension schemes are based on the principle of solidarity between generations: by their pension contributions, each person constitutes future rights on the contributions paid by the working population when he or she will retire. The system only works if it is founded on the broadest possible base, in practice, if it is compulsory. The financing of retirement pensions is therefore a question of arbitration between the rates of the contributions of the working population, the retirement age (or the length of the period over which contributions are paid) and the standard of living of the retired persons. However, as we have already seen, this system is highly sensitive to the ratio of the number of retired persons compared to the working population.

The inverse system (self-funded retirement plans) depends on the accumulation, by each person, of financial products, whether or not they are invested in collective pension funds, which will serve to pay his or her own pension: the system does not have to be compulsory, as it lends itself to freely-chosen optional schemes. It is, in fact, largely used by the most affluent who are able to put money aside during their working lives. The system of « life insurance » in France is an example of this, as it enjoys certain tax benefits which are the reason for its great success (560 billion € saved up in 2000), but contributes to increasing social inequalities with regard to retirement.

At a macro-economic level, both systems contribute to creating debts for the future: the progressive resale of the assets accumulated by one generation will only be profitable if the following generation agrees to save an equivalent sum in order to support the stock-exchange quotes. With regard to the pension funds which are used to a large extent in Anglo-Saxon countries, the dangers concern the evolution of the Stock Exchange over a long period; the funds must remain « very prudent, very regular and very patient ».

3. The solutions found in Europe

3.1. the case of France: this country has remained faithful to the compulsory contributory pension scheme, while at the same time developing saving plans for retirement (which are not compulsory) with tax benefits. The disparities between the public sector (favoured) and the private sector have been reduced, the number of years’ contributions to have the right to a retirement pension has gone up from 37.5 years to 40 years and the maintenance of the level of pensions is linked to the length of contributions. The reform adopted in 2003 is based on the hope that the average age of retirement (contrary to the practices of pre-retirement that have been abused in France) will be raised, and on an expected massive reduction of unemployment between now and 2010. Finally, every 5 years, the Government plans to hold meetings with the social partners to re-discuss the parameters of financing (pension contributions and level of pensions). In addition to the pensions managed by the Sécurité Sociale, there also exist supplementary pension schemes (ARRCO and AGIRC) belonging to the private sector and depending on agreements between trades unions and employers.

3.2. other European countries

A great diversity can be observed in the structure of national systems and the modalities of acquisition and liquidation of rights. The place of public systems (collective and compulsory) is variable whilst that of self-funded retirement plans is tending to increase but is often on the fringe (except in the United Kingdom or the Netherlands, where the 2nd level of their pension system is totally composed of self-funded retirement plans) and are a compulsory complement (in Sweden) or an optional supplement of the pension paid by the public systems (45% of the population in Germany), without contributions from the employer, but with tax incentives.

The most innovative practices come from Italy and Sweden, with pension systems called virtual self-funded retirement schemes: each contributor is the owner of an individual account where his or her updated pension contributions are credited. At the time of liquidation, the annual pension is calculated so that the updated value of the pension received is equal to the capital virtually accumulated during the person’s working life. Nevertheless, these systems continue to operate as contributory pension schemes and there are no accumulated financial savings. This technique of « notional accounts » leads to the existence of a partly self-regulated scheme.

Certain common features can be observed: the progressive nature of the reforms with re-evaluation in the future; the clarification of the expenditure of public systems directly financed by social contributions; the deferral of the retirement age with more stringent measures for being able to take early retirement and the lengthening of the period of contributions necessary for a full pension.

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3 Réforme des retraites, Le Monde daily newspaper, 11/06/03
4 « Panorama des réformes de systèmes de retraite à l’étranger » www.cdc.retraites.fr (Questions retraite)
4. the exploration of new avenues?

- Keeping older workers in employment
- A call for immigration
- A new distribution of the earnings of productivity between profits and wages in the broadest sense of the term (wages and pensions) with a view to rebalancing the sharing of the wealth produced (the percentage of wages in the added value of firms went down from 70% at the beginning of the 1980s to 60% in 2000).

B) Health Insurance

1. The financing of health insurance in the previous E.U. (fifteen countries)

In brief, we can identify three predominant systems of health care finance in the European Union. The first (often referred to as the Beveridge model) is characterised by public finance through taxation. In the second (the Bismarck model), public finance is based on compulsory insurance. The third system consists of private finance based on voluntary insurance (with a mutual benefit society), which covers only a small minority of European citizens entirely, but which also operates as a supplementary form of health coverage on top of social insurance.

<table>
<thead>
<tr>
<th>Country</th>
<th>Predominant system of finance</th>
<th>Main supplementary system of finance</th>
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</thead>
<tbody>
<tr>
<td>Finland, Greece, Ireland, Italy, Sweden, Spain, United Kingdom</td>
<td>Public: taxation</td>
<td>Private voluntary insurance, direct payments</td>
</tr>
<tr>
<td>Denmark, Portugal</td>
<td>Public: taxation</td>
<td>Direct payments</td>
</tr>
<tr>
<td>Austria, Belgium, France, Germany, Luxembourg</td>
<td>Public: compulsory social insurance</td>
<td>Private voluntary insurance, direct payments, taxation</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Mixed compulsory social insurance and voluntary private insurance</td>
<td>Taxation, direct payments</td>
</tr>
</tbody>
</table>

It is important to note that for people without resources, universal or quasi-universal medical coverage has developed in the majority of European countries (E.U. of the fifteen).

2. The inevitable increase of health expenditure and the necessary control of this expenditure

In the majority of countries, health expenditure has increased more rapidly than the GDP since 1970. This evolution is inevitable for two reasons:

- the aging of the population in Europe linked to too low a birth rate, but also to the success of medicine whose means of prevention and capacity to heal many diseases are constantly progressing: for several decades, the average life expectancy has increased by a little less than three months every year;

- the increased cost of the treatment of many diseases or infirmities which were formerly incurable, owing to the use of extremely developed and effective modern material (gamma-ray therapies and chemotherapy, hip or knee prostheses, open-heart operations, brain surgery...).

It should be remembered that on an average, over 90% of health expenditure concerns the last 10 years of life and the aging of the population will only reinforce this trend. The breakdown of 100 € of health insurance costs in France (48 € for hospitalisation, 14 € for medication, 12 € for consultations, 7 € for analyses, transport, artificial limbs, etc...) shows that hospitalisation is the predominant part.

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6 "Vers une crise démographique en Europe", La Conjoncture magazine, n° 12, May 2000
7 Pierre Khalfa, Fondation Copernic, Le Monde Emploi newspaper, 10/04/2001
8 Health System of the 13 countries of the previous European Union - www.europarl.eu.int/workingpapers/saco/pdf/101_en.pdf
THE FUTURE OF WORK IN EUROPE. ETHICS AND GLOBALISATION

Proportion of health expenditure in the GDP and growth rate of health expenditure in volume in %

<table>
<thead>
<tr>
<th></th>
<th>Germany</th>
<th>Spain</th>
<th>France</th>
<th>Italy</th>
<th>Netherlands</th>
<th>United Kingdom</th>
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<tr>
<td>Proportion of health expenditure in the GDP</td>
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<tr>
<td>1970</td>
<td>6.3</td>
<td>3.6</td>
<td>5.7</td>
<td>5.1</td>
<td>7.2</td>
<td>4.5</td>
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<td>1980</td>
<td>8.8</td>
<td>5.4</td>
<td>7.4</td>
<td>7</td>
<td>8</td>
<td>5.6</td>
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<tr>
<td>1990</td>
<td>8.7</td>
<td>6.6</td>
<td>8.6</td>
<td>8</td>
<td>8.5</td>
<td>6</td>
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<tr>
<td>1999</td>
<td>10.3</td>
<td>7</td>
<td>9.3</td>
<td>7.9</td>
<td>8.7</td>
<td>6.9</td>
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<td>Average annual growth rates of health expenditure in volume</td>
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<tr>
<td>1970-1980</td>
<td>5.6</td>
<td>7.4</td>
<td>7.6</td>
<td>6.4</td>
<td>1.6</td>
<td>5.6</td>
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<tr>
<td>1980-1990</td>
<td>1.7</td>
<td>5</td>
<td>4.9</td>
<td>4.4</td>
<td>2.3</td>
<td>1.9</td>
</tr>
<tr>
<td>1990-1999</td>
<td>6.4</td>
<td>4</td>
<td>2.8</td>
<td>1.4</td>
<td>2.9</td>
<td>2.8</td>
</tr>
</tbody>
</table>

Source: OECD, Eco-Sante' 2000

The tendency of the annual growth rates to slow down shown in this table is refuted by the 2004 figures given for France: a 6.7% increase during the year 2003 for the expenditure of all the health insurance systems of the “Sécurité Sociale” (although the ceiling had been fixed at 5.3%).

At a time when the French Government is preparing, in 2004, to reform health insurance for a better control of health costs, the Haut-Conseil pour l’avenir de l’assurance maladie (High Council for the Future of Health Insurance) presented a 500-page Report in January 2004, calling for an inventory of the care system and the coverage of health costs. It recognises that given the combined effect of aging, the evolution of techniques and the demands of professionals in terms of working conditions and income and of those of the contributors to the national health scheme, health expenditure will continue to grow, while at the same time specifying that « margins » exist so that this expenditure will increase less rapidly. The High Council’s Report suggests first of all making an effort to control unjustified expenditure, while at the same time fighting against the overconsumption of medication and for the supervision of medical practices, etc... As a preliminary to any evolution, it calls for undertaking a reform that is both structural and institutional, as neither the Parliament, the government nor the health insurance offices exercise or have any clear responsibility with regard to the control of the objectives of expenditure.

C) Unemployment insurance

1. Observation: a high unemployment rate in the EU ...

The unemployment rate in the EU of 15 nations was 7.7% in July 2002 (compared with 7.3% in 2001). 11

2. ...with many different repercussions

2.1. there is first of all a psychological price to pay for the individual, even in addition to the loss of income: loss of freedom, social exclusion, loss of qualifications, a blow to the person’s intellectual faculties, loss of motivation and a professional dead end, morbidity and mortality, rupture of social relations, disorganisation of family life, deterioration of family life and deterioration of social values and responsibility.

2.2. there is also a price to pay for society

In a society where unemployment is on the increase, the number of workers is decreasing and the imbalances of the claims offices are tending to grow. It is impossible to indefinitely increase the employers’ and employees’ contributions.

11 Hauss des dépenses d'assurance maladie, Investir weekly, 28/02/04
In France, in order to stabilise the accounts of the Unedic, the employees' contributions have gone up by 2.40% and the employers' contributions by 4% since 1 January 2003\(^{12}\). It should be noted that the known deficit in 2002 was 3.7 billion € and that a deficit of approximately 2.4 billion €, hence a decrease, was expected in 2003\(^{13}\).

3. …which calls for the establishment of a protection system that is differentiated, according to the basic principles laid down by each country.\(^{14}\)

Protection against unemployment is made up of different strands. The first and the most important one is composed of unemployment insurance benefits which are paid during the initial period following the loss of employment.

Their level, which represents over 60% of the national average salary, is applied in all the Member States with the exception of Ireland and the United Kingdom, where the level of protection is lower.

The majority of European countries offering a high level of protection have established a second strand of unemployment insurance, generally called « unemployment assistance », which covers workers who no longer have the right to unemployment insurance benefits, in order to give them a period of respite before having to move on to social assistance systems that are less generous.

4. What is the real situation of unemployment insurance which can no longer meet its obligations given the growing number of unemployed persons in relation to the working population, hence a decrease in the number of contributors?

4.1. Evolution of unemployment insurance measures\(^{15}\)

In Europe, the general trend is the reduction of rights to indemnification also considered as a disincentive to work, but whose in-depth causes originate in budgetary deficits. Hence the reforms under way over ten years or so in all the European countries: decrease of the importance of measures to protect the employment market and the increase of active measures.

Conditions with regard to the allocation of benefits are becoming more stringent, their length and replacement rate have been reduced and, through active policies concerning the labour market, the efforts aimed at encouraging unemployed people to return to work have been intensified.

Through programmes associating aid and work, many countries have subordinated the payment of benefits to participation in training activities, the acceptance of a job considered suitable by the office paying unemployment benefits, or on the condition that the unemployed person proves that he or she is actively seeking a job.

4.2. The case of France and Germany

Every unemployed person has rights but also duties. In France, the new agreement effective since 1 January 2003 no longer guarantees the right to compensation in the event of unemployment; this is now subordinated to the signature of a Plan d'aide au retour à l'emploi (PARE) (Aid for Return to Employment), which results in a Projet d'action personnalisé (PAP) (Personalised Action Project).\(^{16,17}\)

These measures are justified by the fact that they claim to encourage a return to employment rather than passively compensating unemployment. But these reforms create great disparities and many unemployed people are excluded from compensation (en 2000: 46%) (Cf. Information Sheet 2.6: Poverty and exclusion / integration and reintegration).

In 2003, the German Parliament adopted a reform to reduce unemployment benefits which weigh heavily on the economy, and to encourage individual responsibilities. In this spirit, more mobility is requested on the part of unemployed people who have no dependent persons.

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12 « Le régime d'assurance chômage se durcit », 07/01/2003 - www.lentreprise.com/actu/2575.1.html
14 « Comparative Tables on Social Protection in the Member States »
Jacques Freyssinet, « The unemployment indemnity reform in France », IRES magazine N° 38-2002
www.ires-fr.org/iresangiais/homepage.htm
16 Carole Tuchsizier, « The reform in unemployment from PAP to PAP/ND », IRES magazine N° 38-2002 -ibid
Questions

1. Have we sufficiently examined the possible incentives on the part of the public authorities to increase the birth rate (nurseries, paid parental leave from the 2nd or 3rd child onwards, housing facilities, etc.)?

2. Is it acceptable to request the prolongation of the length of careers for retired people whilst unemployment remains at the present level?

A summary of the main points:

On retirement pensions:

- Longer life expectancy, as well as the fall in the birth rate, will weigh heavily on the retirement pension systems, resulting in an increase of the part devoted to retirement pensions in the G.D.P.
- The majority of European countries are moving towards a cocktail - which is variable according to country - of retirement pensions by contributory pension schemes and voluntary pension funds accompanied by tax incentives.
- Increasing the number of years to be worked clashes with the well-rooted habits of early retirement, used to reduce unemployment, which is an obstacle to be overcome.
- Additional solutions must be found (encouraging the birth rate, later retirement, migratory contributions).

On health insurance:

- In all European countries, health insurance is compulsory.
- It covers a part of the health expenditure that is variable from one country to another.
- As for retirement pensions, the fall in the birth rate and aging will pose considerable problems of financing at long term:
  - reducing expenses (reimbursing less)
  - increasing the part played by mutual benefit societies and private insurances.

On unemployment insurance:

- Unemployment insurance has been set up in all European countries given the dramatic increase of underemployment. This is undeniable progress.
- The benefits paid are reduced with time and more or less linked to the efforts of re-integration; they are submitted to conditions and everyone does not receive benefits.
- Benefits are jointly financed and there is joint management of the systems.
1. Poverty

1.1. What is meant by poverty? 1 2

Every person who cannot satisfy his or her basic needs in the field of food, decent housing and health is in a situation of extreme poverty. This is a relative notion and in order to draw up statistics, an estimate has been made of the income which corresponds, in each country, to satisfying these « basic needs », an income which, of course, depends on the composition of the family unit.

To have an idea of the state of difficult living conditions in France, we would like to mention 3 the Report (March 1993) of the Fondation Abbé Pierre pour le logement des personnes défavorisées (Abbé Pierre Foundation for the Housing of Disadvantaged Persons): 3 million people were poorly housed and 1,600,000 were on the social housing waiting list. Deprived people are finding it increasingly difficult to pay their electricity bills: in 2001, over 220,000 people received aid amounting to 49 million Euros, in the framework of national assistance measures for those unable to pay these bills. Finally, in 1998, according to a survey carried out by the Research, Study and Documentation Centre for Health Economics, one person out of seven did not have recourse to health care through lack of money. Since then, « universal health coverage » was created on 1 January 2000, but the years of absence of care have sometimes left traces, particularly with regard to dental problems.

1.2. Are there working poor?

These are workers, with or without an occupation for more than six months, who belong to a household whose standard of living is lower than the « breadline », defined as the level of income equal to half of the median income (which divides an equal number of higher and lower incomes). In France, almost three quarters of the people in this situation have effectively had a job for at least a month. These « working poor » number approximately 1.3 million and represent 6% of the working population.

Apart from possible periods of unemployment, the temporary or unstable character of employment, part-time work, lack of qualifications and the fact of beginning a working career are all individual factors which tend to increase the risk of poverty. To these individual factors, we must add those resulting from the characteristics of the household to which these persons belong, its size and the number of its members who contribute to its resources through their personal financial input.

In France, three working poor out of four earn less than 500 € per month for their work. Even when their income is higher, it is nevertheless insufficient to provide their families with a standard of living that is above the breadline: these people are frequently the only ones who bring in money for their families.

The low level of wages of the working poor is compensated by social income (public) which represents, on an average, 37% of the available income by consumption unit of the household to which these poor belong.

1.3. Poverty in Europe 2

The proportion of people living with an income lower than 70%, 50% and 40% of the equivalent national median income were respectively 25%, 12% and 7% in 1997 for the whole of the previous Union before 2004.

The Member States whose social systems are the most developed and whose social expenditure per inhabitant is the highest, such as Luxembourg, Denmark, Finland, the Netherlands, Sweden and Germany, seem to be those which have the most success in guaranteeing the access of all to basic services and in maintaining a relative rate of poverty much lower than the average of the European Union as a whole.

The countries of the Union which, in 1997, had the lowest poverty rates (60% of the median income) are Denmark (8%), Finland (9%) and Luxembourg and Sweden (12%) (see table below). The relative rate of poverty is higher than the European average in Portugal (23%) and the United Kingdom and Greece (22%).

% of the population living in relative poverty (income lower than 60% of the median income 1997 – Average of the EU at that time : 18%

<table>
<thead>
<tr>
<th>Country</th>
<th>% of Population in Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>14%</td>
</tr>
<tr>
<td>Austria</td>
<td>13%</td>
</tr>
<tr>
<td>Belgium</td>
<td>15%</td>
</tr>
<tr>
<td>France</td>
<td>17%</td>
</tr>
<tr>
<td>Denmark</td>
<td>8%</td>
</tr>
<tr>
<td>Spain</td>
<td>19%</td>
</tr>
<tr>
<td>Ireland</td>
<td>20%</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>22%</td>
</tr>
<tr>
<td>Portugal</td>
<td>19%</td>
</tr>
<tr>
<td>Sweden</td>
<td>12%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>22%</td>
</tr>
</tbody>
</table>

Source: Eurostat

3 La Croix daily newspaper, 4 November 2003
Even if extreme poverty is unanimously recognised as a flaw in society, the efforts to find remedies are not always commensurate with the declarations. The poorest inhabitants of rich countries generally have a much higher income than that of poor people living in developing countries, but they suffer just as much from serious shortages. The richer a country becomes, the more costly are the basic needs of its inhabitants.

We would finally like to note that even if all the countries of the previous E.U. (en 2003) have seen their income increase in absolute value over the last two decades, the majority of them, with the exception of Denmark, have experienced an aggravation of the inequalities in income.

2. Precariousness and exclusion

2.1. Forms of precariousness and exclusion: these are listed in the form of hardships:
- Housing: this is the most important. The standards imposed are not adapted to large families. Without housing, no socialisation is possible and, in particular, there is no possibility of having a job.
- Food: even if in Europe, people do not die of hunger, malnutrition reigns in disadvantaged environments. In France, 1.5 million people receive food aid.
- Health and hygiene, often corollaries of the two preceding forms.
- Education: illiteracy concerns over 9 million adults over 15 years of age in the 15 countries of the E.U. (2003), with an average percentage of 1.5%. This percentage is higher in the countries of Southern Europe (Portugal, Greece). It is lower in the ten countries that will join the E.U. in 2004 (less than 1%).

2.2. The causes of exclusion and its aggravating factors

* those concerning the world of work, as work remains a basic element of socialisation (see Information Sheet 1.1) and long-term unemployment can very rapidly lead to exclusion
- the closing of industrial sites, social plans and collective redundancies;
- the impossibility to adapt to the new technologies and new professions, incapacity to bridge the gaps created by rapid changes, the absence of lifelong training and the refusal or inability to follow such training. Furthermore, the supply of jobs needing few qualifications is very much lower than the demand;
- the attachment to a region which has few jobs to offer, the fear of mobility;
- the difficulty for poor women who are heads of families to reconcile work and parental responsibilities;
- long-term unemployment, with its repercussions of progressive erosion on the determination and the personality (the fact of working does not always protect people from poverty, as poorly-paid jobs have increased over the past few years: fixed-term contracts, temporary and part-time work).

* those concerning life in society
- divorce, single-parent families, the absence of fathers;
- at the other end of the scale, general unemployment in the family, a source of imbalance on account of the anomaly of a continued presence in the home which is hard to bear by all;
- insalubrious housing and the large collective housing estates in the dormitory suburbs which foster marginalisation in bands and delinquency;
- debt, often the result of the attraction of consumerism, which very quickly plunges families into poverty when income decreases;
- racism, discrimination and difficulties of assimilation, concerning immigrants and repatriates.

* those due to the past of the persons themselves
- the fact of belonging to a disadvantaged and excluded family,
- sequels of failures (school, professional, emotional), too heavy to bear,
- deterioration of health (physical, psychiatric, alcoholism, drug addiction),
- social disintegration (people just out of prison, people with no fixed abode),
- isolation, the feeling of being useless and that no one needs them,
- the fact of being a foreigner: in France, in 2002, one North African family out of four was living under the breadline; in the Paris region, 43% of the households from outside the E.U. are poor (this figure was 24% en 1978), and this has been aggravated by the fact that many foreigners only have a temporary residence permit of less than three months.

3. How to combat poverty and exclusion?

3.1. Global measures for combating inequalities

It is necessary to tackle the spiral of poverty by taking measures to ensure that it is not passed on from one generation to the next. Even if the extent and intensity of the problems vary from one Member State to another, a number of major challenges seem to emerge from the national plans and concern the majority of these States:
- combating mass unemployment by fostering the spirit of enterprise through appropriate aid, by decentralising the measures to be taken by employment basins, aiding the mobility and the establishment of firms in areas severely hit by unemployment, etc.;
- guaranteeing minimum resources enabling everyone to live in dignity and providing appropriate aid for professional integration;
- combating inequalities in the field of education and developing lifelong training and professional retraining;
- guaranteeing decent housing for all and regenerating disadvantaged areas;
- ensuring the access of all to basic health, justice and transport services, as well as to social, cultural and activity-based services.

3.2. Social aid measures of the public authorities

Social aid measures are tending to be decentralised. In Germany they are organised by the Länder and, in Spain, by the Provinces.

In France, the Revenu Minimum d'Insertion (RMI) (Income Support) created in 1988, is aimed at enabling people aged 25 and over (below this age if people have dependent children) to have the minimum resources to cover their needs and encourage the reintegration of the most deprived. The situation in 1999: 1.15 million beneficiaries, the global cost, 4.2 million Euros; the sum for a person alone is 405 € per month. But it must be recognised that the "integration" strand is not working. The Revenu Minimum d'Activité (RMA) (another form of Income Support), intended to foster reintegration into the labour market, was recently added to the range of French measures (2003).

Aid measures have been the subject of laws or decrees, but their enforcement is the responsibility of the Departmental Assemblies (General Councils). The social part in the budgets of the Departments has constantly increased over the past 20 years. Local authorities have set up Commissions to deal with cases of excessive debt and Social Action Committees which give financial aid and vouchers to spend in shops, or put people into contact with associations.

3.3. but non-State practitioners are indispensable

The involvement of the associative world in the social field, going back a long way in European countries with a Christian tradition, has been reinforced with the growth of precariousness and inequalities. By appealing to the generosity of private persons and bodies, on the one hand, and subsidised by the public authorities on the other, associations, given their social utility, have progressively assumed a prominent place in aid to the poor, the excluded and the disabled.

In France, the social associative sector, in 1997, had resources of 19 billion € and employed 300,000 permanent staff and double the number of voluntary workers.

In Europe, the majority of the resources of the associative social sector come from public sources, with the exception of the United Kingdom and the Czech Republic.

The variety and the quality of a large number of associative networks enable them to cover many aspects of precariousness by an effective proximity-based presence (it is necessary to have as personalised an action as possible), and to adapt their work to the many challenges posed by exclusion. Some associations are specialised (Droit au Logement (Right to Housing), Action contre le Sida (Action against AIDS), Food Banks), whilst others are generalist and decentralised (Red Cross, St. Vincent de Paul, etc.).

In addition to work in the field, collaboration between public social services and associations has been established in many areas: drafting of policies and consultation, evaluation of the impact of laws, ongoing aid for persons and literacy and learning activities etc. Thus, the Non-Governmental Organisations (NGOs), have set up an active lobby that is recognised in the drafting and implementation of the European Social Charter (particularly the right to bargain collectively, laid down in the Charter). This collaboration also exists for the NAP (National Action Plans for Social Inclusion to be presented by States every 3 years) created by the European Union (1st Plan 2000-2003) : in each country, the drafting of the plan is the subject of many decentralised consultations with the administrations and associations concerned, and, if possible, with the beneficiaries.

3.4. Reintegration of the excluded

According to Joseph Wresinski, the founder of ATD Fourth World 4, extreme poverty « seriously compromises people's chances of regaining their rights and of reassuming their responsibilities by themselves in the foreseeable future ». So that the most underprivileged, rejected by local communities, can become practitioners, more privileged citizens must go towards them, go out to meet them and become involved with them without taking their place. The mechanisms of traditional representation are not enough to give a voice to the most underprivileged. It is up to the associative movement 5 6 , particularly NGOs with a social calling, to do this.

Les Associations Intermédiaires (Intermediary Associations) (500 in France, receiving 300,000 job seekers) are carrying out support action for long-term unemployed people, Temporary employers in temporary work, they place the jobless with individual "clients" with a view to obtaining a permanent job. The operating rules lay down that these actions must not be in competition with the professionals of the sector (choice of persons in great difficulty, very short contracts).

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1 International Movement ATD Fourth World (ATD for Aide à toute détresse), www.atd-quartmonde.org
2 International Association of Charities, www.famvin.org/aic
3 Caritas Internationalis, www.caritas.org
4 Solidarités Nouvelles face au Chômage, Association founded by Jean-Baptiste de Foucauld, www.snc.asso.fr
5 CCFD. Comité Catholique contre la Faim et pour le Développement, 4 rue Lantier F-75001 Paris
6 CCSC, Comité chrétien de solidarité avec les chômeurs et précaires, 23 rue des Balkans, F-75020 Paris

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Information Sheet 2.6 – Poverty, exclusion and reintegration 53
La Table de Cana (The Table of Cana), created in 1985 by Frank Chaingeau, now groups 10 integration firms in France and has already proposed over 1,500 jobs in the catering industry. The aim of this voluntary association is to provide work for those with no fixed abode.

Poverty outlawed in Europe? 10

In addition to the associative movement and NGOs, «trades unions could also join in the fight against poverty as long as they take some distance from corporatism. The European Confederation of Trade Unions is now better equipped than 10 years ago to take into account the fight against poverty... Is it utopian to imagine that cooperation between trades unions and NGOs on specific objectives could influence the major social choices of Europe?... Cooperation between firms and associations working in the field of integration must also be reinforced to prevent measures of integration for the most underprivileged from leading to the creation of a third sector occupying a static population. On the contrary, it is very important for the integration sector to remain a transitory area permitting training and opening access to jobs as similar as possible to those occupied by well-integrated employees.

To regard poverty as the result of an individual deficiency... or, inversely, as the product of unjust social structures..., is to regard the poor as external issues. It is only by fundamentally changing our relationships with the poor that true change will be possible.

3.5. A reintegration project in Milan (AIC project) 5

At the beginning of the 1980s, long-term unemployment in Milan was one of the most serious problems for marginalised families: it was, at the same time, the result and the cause of poverty. «The Vincentian Volunteer Teams», an Italian women’s association, member of the International Association of Charities (AIC), analysed the causes of this. These unemployed people did not manage to find jobs on account of their lack of vocational training and because they had often not finished their compulsory schooling. Even those who managed to find a small job were unable to keep it: it was noted that they were all resigned and fatalistic which meant that they were very quickly discouraged.

These people had been accustomed to marginalisation for generations. They had lost their identity and their cultural roots. The action that appeared to be the priority was basic training. Remedial teaching classes and pre-vocational training courses were organised for the unemployed adults. In grouping the initiatives carried out in the five neighbourhoods of Milan, this «Project for and with long-term unemployed people, particularly women and young people seeking their first job» was presented to the EC’s DG 5 which approved it in the framework of the “Poverty Programme 2” and which agreed to subsidise half of the budget (renting of premises, purchase of school equipment and books and the payment of professional teachers).

The beginnings were disappointing: the unemployed adults either did not participate in the courses or gave up at the first signs of difficulty; they became discouraged and abandoned as soon as they realised that remedial classes and vocational training called for long-term efforts. This negative reaction resulted from the need to earn, no matter how, the money necessary for the survival of the family, but even more so, from their fatalistic and resigned attitude. Things went a little better with the young people aged between 15 and 18 who were seeking their first jobs.

The problem was a cultural rather than an economic one and it was necessary to change mentalities. It was therefore decided to base the project on young people between 15 and 18 years of age in particular, who were more inclined to change their mentalities. This change had good results, since the project succeeded in making young people who had abandoned their studies finish their compulsory schooling, as well as giving them a basic vocational training and finally, enabled them to find a job.

Yet there still existed quite a large percentage of refusals, some people preferring to remain idle. The organisers then realised that the solidarity of the local community was necessary to bring about a cultural change. To make this possible, an awareness-raising campaign was undertaken amongst the people of neighbourhood, with the result that the young people and adults cooperated and craftsmen proposed themselves as teachers and opened their workshops to apprentices chosen from amongst the young people following the courses. Finally, collaboration relationships were established with the schools of the neighbourhood; this made it possible to learn that the children of marginalised families, even on starting school, showed very little interest in learning and that given the little support they received from their parents, they did not succeed in integrating but rather marginalised themselves.

The only means of trying to overcome this attitude was to use a preventive approach in order to ensure that this mentality would not be perpetuated amongst future generations. It was therefore necessary, in order to change the social situation, to work with children of 7 to 10 years of age. The EC experts clearly understood this change of target which led the project, initially planned for unemployed adults, to work with children under 10 years of age.

During the four years of work with the EC, the project operators approached 452 families in difficulty, aided 110 unemployed persons by school and pre-vocational training and followed over 350 children and young people under 14 years of age, to prevent them from dropping out of school.

10 Xavier Godinot (ATD Fourth World) and Saphia Richou (Prospective-Foresight Network) : Persistent Poverty in Europe in 2015
After this, the families of the neighbourhood gradually became involved in the different initiatives. Retired persons, craftsmen and students proposed their cooperation, and finally, the organisers succeeded in obtaining the participation of a large part of the population. In return, this had a favourable effect on the unemployed persons who felt involved as members of the community.

In conclusion, this project showed that in extremely marginalised communities, there is no “culture of work”. Developing this is not automatic; it requires an adapted and long-term type of aid.

4. Micro-loans, banks and solidarity-based investments

Action for integration also depends on aid for financing. Everybody knows the case of the Grameen Bank in Bangladesh, which is a reference in the field of micro-loans in the Third World. In Europe, we have seen the increase and development, since the 1970s and 1980s, of «solidarity-based banks», such as the Ecumenical Development Cooperative Society which has become Oikocredit, created at the instigation of the World Council of Churches. Their aim is to respond to precariousness and unemployment by providing aid for the creation of firms or by financing social projects refused by the traditional banking system (as these are too heavy to manage where small sums are concerned, fear of risk...). Thus, the Association pour le Droit à l’Initiative Economique (ADIE) (Association for the Right to Economic Initiative) helps people excluded from the labour market and the classical banking system to create their own jobs (in the form of an individual firm, a limited company, or a cottage industry). ADIE provides those who present projects with the financial means to start up or develop an activity in the form of a loan and it advises them and trains them to give them the best chances of success.

In France, in 2003, there were some fifteen solidarity-based funds together totalling 140 million Euros and undergoing rapid growth. Solidarity-based funds are only a small part of «ethical» funds and can be differentiated from these by the fact that in the case of «social» or «solidarity-based funds», the subscribers agree to give part of their income to a solidarity-based organisation (job creation, social housing, etc.). In certain cases, these funds receive public money. Salary funds that are authorised by law to invest in solidarity-based savings systems provide the opportunity to act for a social economy. Eleven loan or capital-risk banks or institutions have joined together in the European Federation of Ethical and Alternative Banks and Financiers (FEBEA) in order to establish financial guaranty, re-insurance or refinancing tools.

Questions

• In a world where wealth is constantly increasing, what can be done to reduce the disparities between rich and poor in Europe?
• How can exclusion be excluded? How is it possible to make a world imbued with liberalism more solidarity-based?
• What can be done when one is unable to find useful activities or occupations in exchange for a minimum wage provided by the State?

A summary of the main points

• Poverty and precariousness are continuing or even increasing in Western countries.
• They seem more intolerable in rich countries than in developing countries.
• The fight against exclusion must be the subject of the everyday commitment of all and not limited to grandiose resolutions which are never implemented (Solidarity Weeks, Sharing Days, etc.).

11 http://www.adie.org
12 Paper by Jean-Paul Vigier, President of FEBEA
1. The « failures » of corporate governance

As we have already seen in the preceding information sheets, the firm is a human, and not only economic community, even though the interest of the shareholders, increasingly full of expectations, often leads to maximising returns on short-term investments, even at the cost of social plans for prosperous firms (Michelin and Danone firms in France) or the closing-down of factories (Vilvorde in Belgium by the Renault firm).

At a time when we are increasingly talking about « ethical investments » and « corporate social responsibility », public opinion is discovering the existence of serious fraudulent manipulations in the financial management of certain firms, particularly in December 2001 with the Enron affair in the United States, whose high deficits were camouflaged in subsidiary companies which did not appear in the accounts and the dishonest compromise of the prestigious firm Arthur Andersen, a beneficiary not only of consultancy contracts on the part of Enron, but also responsible for certifying the accounts of this firm. The discredit thrown on Arthur Andersen, which had covered these frauds, caused its disappearance from the American market, whilst the ruin of Enron’s stocks and shares on the Stock Market resulted, in particular, in the collapse of the retirement pensions of its employees, mainly composed of shares in their firm. Following the financial scandals of Enron, World-Com and a number of other firms, the Sarbanes-Oxley Law was adopted in July 2002 in the United States, mainly prohibiting that the same agency could provide consultancy services for a firm whose financial accounts it certified.

Europe is not exempt from phenomena which seriously call into question corporate governance. The Dutch firm Ahold, the world number three in the field of distribution, revealed, in May 2003, that the fraud which had led, in February, to the resignation of its Chairman and Managing Director, was much more serious than it had at first seemed: the American subsidiary of this firm, Foodservice, had overvalued its results between 2000 and 2002, by 880 million dollars. Even more serious is the bankruptcy of the Parmalat firm, a dairy-foods giant and eighth biggest industrial group in Italy, whose executives have been arrested for fraud and large-scale financial manipulations (through the intermediary of a subsidiary located in an offshore tax haven), along with the executives of an auditing company responsible for certifying the accounts.

We would also like to mention in France the Crédit Lyonnais, which owed its survival to aid from the French State and which battled with American justice over the illegal purchase of the Executive Life company; then the embezzlement of funds by the high-level executives of Elf-Aquitaine, and finally, in 2002, the financial debacle of Vivendi Universal, after its President, Jean-Marie Messier, tried to cover up the real situation of his firm which was deeply in debt.

Even if a bill is being examined (in 2003) by the French National Assembly, the European Commission, in its turn, drew its conclusions from the Enron American scandal, by launching, on 21 May 2003, a vast action plan spread over ten or so years, aimed at modernising European company law to improve European competitiveness. In its communication, the Commission gave an extremely critical verdict: « Shareholders own companies, not management - yet too frequently their rights have been trampled on by sordid, greedy and occasionally fraudulent corporate behaviour. A new sense of proportion and fairness is necessary ». The reports concern « the modernising of company law and the enhancing of corporate governance » as well as the reinforcement of the « legal control of accounts in the Union »

What caused the scandal in the case of Mr. Messier was the fact that, as the price of his resignation, he walked away with severance pay of 20.6 million Euros, in spite of the financial debacle of the firm of which he was the Chief Executive. He was finally refused this severance pay. A similar case happened in London, with regard to the President of the Glaxo firm, Jean-Pierre Garnier, but as British legislation had made provision at the end of 2001 for the compulsory agreement of the shareholders, these latter refused the « the golden parachute » of 31 million Euros that he had accorded himself (see boxed text).

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3 Le Monde daily newspaper, 6 May and 9 May 2003
4 Le Monde daily newspaper, 22 May 2003
No moderation in salaries for the managing directors of firms

The publication recently made compulsory in certain countries of the salaries and other emoluments (stock options...) of the main managing directors of firms shows that these global emoluments, when compared with those of their American counterparts, have considerably increased over the last decade, to such an extent that this has created a feeling of unease, or even a scandal. Thus, the annual salary of the Chairman and Managing Director of Peugeot S.A. was almost 2 million Euros in 2002 (166 times the minimum wage) not counting his stock options, whilst that of his predecessor, 12 years earlier, was six times less (2.2 million Francs, that is, 35 times the minimum wage) and he did not have any stock options. French managing directors have seen a tremendous rise in their pay packets: a factor of 5 between 1995 and 2002 for those of the Crédit Lyonnais and Renault for example. The average salary of the highest paid bosses of French firms quoted on the Stock Exchange was more than 2 million Euros in 2002, often more than half of which was in variable bonuses (stock options...). According to Mr. Michel Le Net, who is the President of the Cercle d'éthique des affaires, « the maximal salary ratio compared to the average salary [in the firm] has been multiplied by 30 in ten years and has now reached the outrageous figure of 200, when the correct ratio should not exceed 20, according to the opinion of management experts » 5.

Also, the Ethics Committee of the French Employers' Organisation Medef made public its « principles of judgement » on 16 May 2003, in order to aid the salary committees of the Boards of Administration to decide on the pay packets of the managing directors of firms : « Opening the possibility of immoderate salaries leads to losing control of reality. The recent scandals have proved this once again. Ethics calls for measure and control (...) The salary paid must always be justified and justifiable with regard to the relevant criteria: practices of competition (...), international comparisons and (...) the risks taken ». The report highlights the « coherence » of the salary with that of the team and its « exemplary character » for the whole firm 6.

2. Corporate Social Responsibility : an attempt to answer questions?

An increasing number of firms are promoting their social responsibility strategies in response to a variety of social, environmental and economic pressures. They aim to send a signal to the various stakeholders with whom they interact : employees, shareholders, investors, consumers, public authorities and NGOs. In doing so, firms are investing in their future and expect that the voluntary commitment they have adopted will help to increase their profitability 7 8.

The European Council, which took place in Lisbon in March 2000, made a special appeal to the sense of corporate social responsibilities. The European Campaign for this awareness-raising was marked by the publication by the Commission, in July 2001, of a Green Paper entitled « Promoting a European Framework for Corporate Social Responsibility » 1. This Green Paper was aimed at launching a broad debate on how the European Union could promote Corporate Social Responsibility (CSR). Promoting, but not controlling, as this CSR remains the initiative of firms.

« By stating their social responsibility and voluntarily taking on commitments which go beyond common regulatory and conventional requirements, which they would have to respect in any case, companies endeavour to raise the standards of social development, environmental protection and respect of fundamental rights... This action leads to the development of new partnerships and new spheres for existing relationships within the company regarding social dialogue, skills acquisition, equal opportunities, anticipation and management of change ».

This is extremely ambitious and could appear vague; it is true that the concept itself can have a different meaning depending on the size of the firms, or even the country in which they are located.

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5 Le Monde daily newspaper, 19 November 2003
6 Le Monde daily newspaper, 17 May 2003
8 Samuel Mercier : « L'éthique dans les entreprises », Repères Series, La Découverte Press, Paris
The Anglo-Saxon business world recognises the need for the re-balancing of power in firms. Inside the firms, it is a case, for example, of better appreciating the intangible assets which cover a whole series of know-how and behaviours that the accountancy balance sheets ignore. Recent experiences in Europe show that by investing more in «employability», participation and the stability of jobs, it is possible to achieve better financial results.

but would the CSR only be an effect of method and presentation? It is enough to see the extent to which the grading of social and environmental rating agencies is coveted by large firms not to leave this question aside too rapidly.

3. The expected profits of Corporate Social Responsibility

CSR includes environmental protection and therefore falls within the problematic of sustainable development: the European Council of Göteborg (June 2001) stressed that economic growth, social cohesion and environmental protection go hand-in-hand at long term.

3.1. Firms have also adopted the concept of sustainable development

When Suez treats waste, delivers energy or provides drinking water, it is sometimes reproached with wanting to sell a maximum number of services. This reaction has led Suez to introduce consultancy services for clients to limit the production of waste or avoid the squandering of water and energy, particularly in the emerging countries, amongst populations which are not particularly solvent.

3.2. Corporate Social Responsibility, an opportunity to be seized (win-win relationship) which benefits all the practitioners:

The better the firm is organised, the stronger it is. It would appear that far from being a handicap, the adoption of practices of continuity, communication, participation and accountability improves the results of firms. Those that form lasting relationships with their clients, their employees and their shareholders confirm that this leads to greater profits. This does not only concern large firms, but also small and medium-sized firms which are the subject of a particular awareness-raising campaign on the part of the European Commission.

Employees: Today, one of the major challenges of firms is to keep their qualified workers. Consequently, all the actions that include education and training all during their professional activity, making the staff feel responsible, the improvement of information in the firm and a balance between work, family and leisure activities are directed towards achieving CSR.

Commercial partners, suppliers and consumers: When firms work in close collaboration with their commercial partners, they can reduce the complexity and the costs of their operating procedures, while at the same time increasing the quality. Furthermore, in the context of their social responsibility, firms are supposed to provide products and services that the consumers need and desire in respecting ethical and ecological criteria.

Shareholders, if they are members of ethical investment associations or holders of ethical funds or socially responsible funds (see after).

Trades Unions, sometimes torn between mistrust because of the use of social factors for marketing and the desire to use CSR in order to help bring about social progress.

4. Ethical Funds and Socially Responsible Investments (SRI)

4.1. Ethical Funds

An ethical financial product, similar to an ordinary investment, concerns a portfolio screened according to criteria which eliminate or oblige a choice of social values in relation to specific references (for example, a choice dictated by the answers of societies, taking into account social or environmental principles.

In France, 40 ethical funds totalise investments of 920 million €. This is still small compared to overall investments but these funds are developing rapidly, like everywhere else in Europe.

For Dexia Asset Management, even if the investors no longer base their investments on financial objectives alone, but also take into account ecological, social and ethical principles, it would appear that this investment strategy is more profitable over a ten-year period.

5 1er Forum européen pour le Développement durable et une Entreprise Responsable, Les Échos-Conferences, March 2002

For Ethos, a Swiss pension fund, its experience shows that SRI:
- do not demand a sacrifice in returns on the part of investors;
- make it possible to make firms aware of their social and environmental responsibility;
- and contribute to the social and environmental sustainability of society.  

4.2. CSR and Socially Responsible Investments

CSR Europe is a non-profit organisation which promotes corporate social responsibility. It was in 1996, following the European Manifesto of Businesses against Social Exclusion, that some twenty business managers – under the auspices of Jacques Delors, then President of the European Commission – took the initiative of creating a European network of firms, which became CSR Europe, whose objective is to create links and exchange experiences on putting into practice corporate social responsibility. Today, this network cooperates with 18 national partners representing 12 European countries (and concerns a thousand firms in Europe).

In 2001, according to a survey carried out for CSR Europe and Euronext, socially responsible investments (SRI) were the subject of massive support on the part of financial establishments which created offers of SRI products.

The countries of Northern Europe (Germany, Netherlands, United Kingdom, Sweden and Switzerland) would appear to be more favourable to this approach and more familiar with SRI products. Inversely, the countries of Southern Europe (Spain, Italy) and to a lesser extent, France, appear to be more behind in this field (less-developed dissemination of SRI products). Stress is laid on the right of vote and proposal on the part of the shareholders and the strategy of investment screens taking into consideration the social and environmental performances of firms.

4.3. Establishment of social indices

In France, ARESE, an offshoot of the French Caisse des Dépôts, has evaluated 80 observation criteria for sustainable development (Human Resources / Environment / Clients and Suppliers / Civil Society / Corporate Governance).

The objectives of Vigeo, a new agency of social and environmental rating created by Nicole Notat, and Core Rating, are to assess the social and environmental performances of firms. All state that they are independent with regard to potential clients.

In the other European countries, we can mention Caring Company (Scandinavian countries), Triodos Research (Netherlands), SCORIS (Germany), CentreInfo (Switzerland), PIRC (United Kingdom), Avanzi (Italy), Fundación Ecología y Desarrollo (Spain) and Stock at Stake (Belgium).

A European index, ASPI (Arese Sustainable Performance Indices) calculated by STOXX was launched in July 2001. Furthermore, verification tools, based on social standards model SA 8000, are at the disposal of specialised agencies.

5. A discussion on CSR:
what commitments for the firm? What challenges for the future?

5.1. from the application of best practices...

Several CSR tools have been developed in Europe: code of good conduct, charter, social labels and certification. Today, all these tools formalise the commitments made.

CSR procedures in the whole of Europe are private. Belgium is planning to propose a public procedure (law on social labels).

We would like to recall the CSR European network of firms mentioned above, which aims to develop best practices in the field of CSR.

In the same spirit, we would like to add the Observatoire sur la Responsabilité Sociétale des Entreprises (ORSE), a French association created in 2000, the originality of which is to group firms, administrators of financial assets and professional and social bodies.

11 www.ethosfund.ch
12 www.csreurope.org
14 www.orse.org
5.2. ... to reports and audits on social responsibility

The major problem of the ethical audit is the following: it is either internal, or it is carried out by external agencies paid by the firm that is being studied. In both cases, this could mar the transparency and the objectivity.

Many firms now communicate reports on social responsibility. It was usual, in the past, for these reports to deal with health, security and environmental protection, but not with human rights or child labour. This is no longer the case today, but it must be noted that the concept that firms can have of this type of report is just as different as their approach to CSR.

In order to ensure that these reports are useful and can give rise to comparisons, it is necessary for a consensus at world level on the type of information to be published and the reliability of evaluation and audit procedures. European initiatives to make CSR progress are already planned and a European multilateral forum is under way. European trade union organisations are also favourable to the establishment of common tools, although it must be realised that today, social audit tools still remain to be created.

> Verification and transparency are the keys of credibility of the procedures of Corporate Social Responsibility.

5.3. Initiatives of citizen-based firms

Some firms, either directly or through the intermediary of Foundations, encourage those of their employees who so desire to carry out humanitarian or charitable actions and help them in different ways (hours off during working time, subsidies to NGOs, covering of expenses...).

Questions

1. Is it possible to put an end to the fraudulent financial manipulations of capitalism, unless we forbid societies to make investments in opaque tax havens which are not submitted to any kind of control? Should Europe not start by dismantling the tax havens that exist on its territory or under its jurisdiction?

2. How can we avert and prevent a repetition of affairs such as the bankruptcies of ENRON in the United States and Parmalat in Italy? Given disreputable practices such as expenses not budgeted for, falsified accounts certified by agencies paid by the firm..., would it not be necessary to accelerate the introduction of a European legislation to prevent frauds?

3. Is leaving CSR to the firms’ own initiative enough to make the content and practice progress? Would it not be possible to envisage a legal framework in which private initiatives could be placed?

4. In particular, what forms could public action take?

5. Is CSR an additional difficulty for the integration of the countries of Central and Eastern Europe into the European Union? Or an advantage which could reassure them on the practices controlled in the Union?

A summary of the main points

- Ethics is an ancient concept that has been forged since paid work has been developed.

- A new approach with the unlimited development of science and technologies, the transformation of power struggles and the unknown factor of the future.

- Answers must be found to new questions: how can man and all men and women find their true place in the economy and in society?

- It is imperative for ethical education and citizenship, as well as the development of the critical sense, to find a true place in education.

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15 http://europa.eu.int/comin/dgs/employment_social/speeches/0111280q.pdf
Directorate General for Employment and Social Affairs, European Commission, November 2001
Hugues Puel: « L'économie au défi de l'éthique », Cujas/Cerf
Association Éthique et Investissement: www.ethinvest.asso/body_mode.htm
Étienne Perrot: « Les agences de notation sociétale en quête d’objectivité », Etudes magazine, May 2003
J.P. Vigier, President of FINANSOL: « Placements solidaires, placements éthiques », (private communication)
1. Employment Law

1.1. Employment Law: a notion which must be clarified

Employment Law can be defined, according to the specialised jurists in social law, as a specific law composed of « all the legal rules applicable to the individual and collective relationships that arise between employers and those who work under their authority, in return for a remuneration called a salary ».

However, at least in France, Employment Law represents a corpus that is much wider than just the labour regulations. We would like to reiterate the terms of the 1958 Constitution: « Each person has the duty to work and the right to employment. No person may suffer prejudice in his work or employment by virtue of his origins, opinions or beliefs. All men may defend their rights and interests through union action and may belong to the union of their choice. The right to strike shall be exercised within the framework of the laws governing it ».

Finally, we must not omit the regulations governing specific jobs, such as agricultural work or maritime workers.

1.2. ... gradually covering the fields where it was necessary to legislate

Employment Law was developed during the 19th and 20th centuries on the question of the limitation of working hours for target populations: children and women (in France, a law on Sunday rest - 1906 – law on the eight-hour day - 1919, applicable whatever the age and sex). A discrepancy remained between the determination of the legislator and the enforcement of the texts, resulting from the insufficiency of factory inspectors, the fragility of trade unionism and the resistance of employers.

The progressive implementation will often result from power struggles between employers and employees.

1.3. ... and whose sources are many and varied.

1.3.1. National sources

are many and interconnected, whether it is a case of the Constitution, laws, regulations and jurisprudence, or again contractual texts. Finally, the work contract, which organises the relations between the employee and his or her employer, is the ultimate source of the employment law, certainly better known by the employers and employees when the contract is in writing.

Three practitioners are involved: trades unions, employers and the State (see Information Sheet 3.2). Social laws are often the result of a compromise between their diverging logics. Sometimes the State legislates on its own initiative (example in France: the orders of 1967 on participation).

1.3.2. The sources of the European Union:

These are compulsory for the Member States of the European Union. The European level is characterised by the fact that any person may act at this level when he or she has exhausted the forms of appeal that are open in national law, by submitting his or her case to the Court of Justice of the European Communities.

1.3.3. International sources:

The international level is primarily represented by the International Labour Office (ILO) attached to the United Nations and which enacts a series of rules either in the form of international agreements signed by the States or in the form of recommendations whose implementation depends on the determination of the national practitioners.

1.4. An employment law or employment laws?

The employment law is a law with many different components and variable contours. It concerns the subordinated work of private employers. In the public domain (State, municipalities, departments, regions and public establishments) it is administrative law that prevails. Specific measures regulate independent work (liberal professions, self-employed people, tradespeople, farmers...).

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3 International Labour Office, www.ilo.org
1.4.1. What are its characteristics?

Employment Law is composed of a number of essential rules which constitute an intangible minimum to the employee’s advantage. It is what is called the social public order (establishing greater justice, protecting the weakest). Individual negotiations (work contracts) or collective negotiations (collective agreements) can only provide more favourable measures for the employee. The main originality of the Employment Law: it is the result of an empirical development in which the facts often precede the law. In France, it can be noted that it was after the 1939-45 War that Works Councils came into being but it was necessary to wait several years for the economic action of Works Councils to be created. Furthermore, the extension of the employment law, which is an essential law since it is compulsory for all (employers and employees), has become de facto a law that has been largely negotiated.

In spite of the controls established, the effective enforcement of the employment law is far from being guaranteed. Thus, undeclared work, whether it is the fact of the employer or the employee, testifies to the inadequate nature of controls for whole sections of economic activity.

1.4.2. What are its specific features?

In France, there are 150 000 legal or statutory texts of general significance, including 7 500 laws and 82 000 decrees of enforcement. Employment law therefore suffers from an inflation of texts. This results in a growing difficulty for the parties concerned to have, a priori, a precise, up-to-date and operational knowledge of it in the acts of everyday life. A group of Factory Inspectors were of the opinion that the Employment Law could be reduced to a hundred or so articles, which would make it easier to understand.

The grasp of all the resulting rules, which is difficult by nature, is therefore only accessible to a small minority of experts. It is also possible to note an instability of the texts: in 11 years, 4 successive laws on fixed-term contracts have been adopted. The abundance of the law consequently results in a multiplication of appeals before the Tribunals.

1.4.3. The enforcement of the law, control and possibilities of appeal

The laws are immediately enforced and are even compulsory for already-existing work contracts.

The factory inspectors corps has a role of control, but many small firms escape their control, not to mention undeclared and illegal work. It is up to the employees to appeal if they are convinced that they are in the right and have the means to do so.

The Industrial Tribunal is the natural jurisdiction as far as Employment Law is concerned. There appears to be a trend towards increased penalties in fields such as security, offences concerning hindrances to legal union activity, discrimination concerning trades unions, undeclared work and obstacles to the control of factory inspectors.

1.5. Effects of a law with which people are not familiar enough

The fact that people are not sufficiently familiar with this law gives rise to legal insecurity, due to ignorance of it and to its complexity. The principle according to which “ignorance of the law is no excuse” can sometimes fail because of the distance of workplaces and the difficulty that employees have in being aware of their rights.

For example, a large part of the norm applicable in a field such as that of redundancy results from jurisprudence, leading to the weakening of the legitimacy of this norm. The question of the effectiveness of employment law is thus posed, given the fact that people are not familiar with it, partly on account of its complexity.

2. Recent evolutions

2.1. The diversification of forms of employment

Technological evolutions and developments in the field of work organisation (networking firms, subcontracting of activities, distance work), produce new forms of work in which the link of subordination is more difficult to grasp.

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2 J. P. Le Crom: Deux siècles de Droit du Travail, l’histoire par les lois, Editions de l’Atelier
3 « Le droit du travail en changement, essai de mesure », Droit social № 3, March 98
2.2. The effects of globalisation

The globalisation of exchanges and production goes hand-in-hand with the creation of transnational firms or groups, making it less easy to identify the real power and decision-making bodies 6.

3. Undeclared work and non-enforcement of the employment law

3.1. undeclared work

Often called "moonlighting", this covers two situations that are clearly distinct from a legal point of view: the non-declaration of an activity, on the one hand, and the non-declaration of paid jobs, on the other.

The employment law defines the non-declaration of activity as being the fact that a firm or a person conceals all or part of a professional activity from the obligations laid down by the law. The non-declaration of a paid job is generated by the action of an employer who, intentionally, does not fill in a preliminary déclaration concerning the taking-on of an employee.

The main motivations identified for carrying out undeclared work are: the high tax and social burden, the large number of procedures and high administrative costs, the reduction of the wage bill and perhaps the illegality of the employee’s situation.

This results in the fact that the firms which apply the regulations are victims of the injustice caused by this form of dishonest competition. Furthermore, the evasion of social contributions, resulting from the non-declaration of the employee, penalises all those who pay contributions, both employers and employees.

3.2. the parallel economy

The « parallel » economy covers undeclared work in illegal firms, the employment of foreign workers without residence permits and certain other cases linked to sub-contracting. It is thus that firms in the « Sentier » area of Paris substituted a system based on customary practices and rules to replace the legal framework. These practices introduce an underevaluation of the value of work and lead to a remuneration that is lower than what it should be.

4. The progressive substitution of European Law

European Law is gradually taking shape and is being superimposed on, or substituted for, national laws: Treaties, Regulations, Directives, collective agreements at European Community level, rulings by Magistrates’ Courts and the Court of Justice of the European Communities are progressively fixing the content of these. Expressing these in national laws takes time (sometimes several years), and delays their enforcement.

Two objectives predominate:
- The free movement of workers
- The harmonisation of standards regulating paid activity (particularly European law on the representation of personnel).

5. From the Employment Law to the right to work

The right to work is stipulated in the Universal Declaration of Human Rights, adopted by the United Nations Assembly in 1948, and which is the basic foundation of rights for all the countries of the world 7. Thus:

« Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment ».

« Everyone, without any discrimination, has the right to equal pay for equal work » (see also Information Sheets 1.4, 2.1 et 2.3).

« Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection ».

« Everyone has the right to form and to join trades unions for the protection of his interests ».

The Conventions of the International Labour Organisation 8 can be added to this basic foundation.

6 Jacques Brouillet (Barrister-at-Law and Associate Director of the Fidail Law Offices): « Savoir réinventer le contrat de travail »
7 Universal Declaration of Human Rights
8 www.ilo.org
Questions

1. Is it possible to transpose an employment law from industrialised countries to less developed countries without economic risks?

2. Is it desirable to progressively draft a common corpus of employment law in all the member countries of the new European Union and how long would this take? For transnational firms, should the obligation to create a works council at the level of the European Union not be rapidly debated?

3. What part of employment law would it be desirable to leave to the legislation of the member countries of the Union, in the name of the principle of subsidiarity?

A summary of the main points:

- The Employment Law would seem to have reached a turning point and its future evolution is uncertain for the reasons mentioned above (abundance of texts, sectors of undeclared work, new forms of firms and jobs and the progressive establishment of a European Employment Law).

- The continuing existence of national laws, in the limits not covered by European Law, will depend on their legitimacy.
THE FUTURE OF WORK IN EUROPE. ETHICS AND GLOBALISATION

Information Sheet 3.2 : Tripartite social dialogue

1. Trade Unionism

In order to understand the current differences between European countries on social questions and the attachment of each one to its own model which it opposes to all efforts of harmonisation, it is necessary to go back to the history of the establishment of social policies which greatly differed from one country to another at the end of the 19th century.

In the United Kingdom, it was the dominant liberalism that led workers to organise their own safety themselves. The powerful « trades unions », the first of their kind, were an obstruction to the plans of the Victorian State.

In Germany, under Bismarck, the employers, who played a paternalistic role, set up systems of health, retirement and accident insurances in the firms, allowing the State a role of control and the workers the possibility of being present in the management bodies.

In Republican France, social liberalism excluded State intervention in collective organisation and left the field free for the paternalism of firms, often inspired by social Catholicism and Protestant philanthropy. The majority of European trades unions came into being in the last decade of the 19th century, taking over from the workers' movements, corporate groups or employers' federations.

Rate of union membership in Europe in 1995 in % of the wage-earning population

<table>
<thead>
<tr>
<th>Country</th>
<th>Rate of membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>25.6%</td>
</tr>
<tr>
<td>U.K.</td>
<td>32.9%</td>
</tr>
<tr>
<td>Sweden</td>
<td>91.1%</td>
</tr>
<tr>
<td>Belgium</td>
<td>53%</td>
</tr>
<tr>
<td>Denmark</td>
<td>80.1%</td>
</tr>
<tr>
<td>Germany</td>
<td>28.9%</td>
</tr>
<tr>
<td>France</td>
<td>9.1%</td>
</tr>
<tr>
<td>Austria</td>
<td>41.2%</td>
</tr>
<tr>
<td>Ireland</td>
<td>52.4%</td>
</tr>
<tr>
<td>Finland</td>
<td>79.3%</td>
</tr>
<tr>
<td>Portugal</td>
<td>25.6%</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>49.7%</td>
</tr>
<tr>
<td>Italy</td>
<td>44.1%</td>
</tr>
<tr>
<td>Spain</td>
<td>18.6%</td>
</tr>
<tr>
<td>Greece</td>
<td>24.3%</td>
</tr>
</tbody>
</table>

Source: ILO

France is an exception in the world. In no other country is union membership so low, nor is the number of trades unions competing to represent the employees of the same firms or administrations so high. Since 1944; the number of trades unions in France has gone up from 2 to 6. In reality, with the teachers' unions and SUD, a newcomer, the total number is close to 15. The causes of this are the different political choices available. Italy and Spain have a union structure which is also close to the political parties, as in France, even though their leaders deny this. Elsewhere, trades unions, fewer than in France, are grouped into Confederations (or Congress in the United Kingdom). The European countries can be classified into two groups: Anglo-Saxon, Germanic and Scandinavian, where union pluralism is restricted as a result of legal regulations or practices and those based on the Latin model where union pluralism is, in practice, tempered by the unitary practices of trades unions.

The decline of trades unions in certain countries

The countries of Northern Europe (Sweden, Finland, Denmark, and to a lesser degree Belgium, Ireland and Luxembourg), are not affected. It is, however, difficult to make comparisons: in the countries of the North, people often become members of a union for the "services" that it offers (insurance, unemployment benefits ...).

In France, the percentage of union membership was 35% in 1949, 17% in 1983, and went down to 8% in 2001. These are the official figures given by the trades unions. It is estimated that in reality, this percentage today is 6.5%. In Germany, the percentage went down from 33% in 1991 to 28.9% in 1995 and in Italy, from 49% in 1980 to 36.6% in 1996.

The causes of this decline are many and varied:

- work is no longer what it was before: reduction and dispersal of production units, recourse to subcontracting and work at home, where solidarity is less present;
- the rise of individualism and the fact that militant action has lost its attraction;
- it is not just in the framework of work that people seek fulfilment;
- associations and NGOs tend to monopolise the desire for commitment (women, immigrants, undocumented immigrants, the unemployed, human rights, consumers, environment...).

1 Francis Démier : « Histoire des politiques sociales en Europe 19ème 20ème siècle » (mémo n° 31), Seuil, Paris 1996
2. Employers’ organisations

These go back a long way as they have their origins in trades guilds and other such associations at a time when the craftsman was his own employer and rented out his services.

2.1. In France:

The Confederations are geared to 4 different sectors:
- Industry, services and trade, federated into professional organisations (originated in 1839),
- Small and medium-sized firms (creation in 1944),
- Liberal professions (1970s),
- Self-employed workers (1970s also).

In addition, at least 6 dissident organisations represent specific interests (for example, small shopkeepers). Like the trades unions, there are a large number of employers’ organisations in France, and this complicates joint negotiations. Inversely, the percentage of membership of firms appears to border on 90%, with the exception of firms without paid employees, generally non-members.

People become members of employers’ organisations more for the services that they offer (insurances, legal services, information on the economic climate, documentation) than for their capacity to defend sectional interests.

On the other hand, public establishments (Chambers of Commerce and Industry and Chambers of Trade) represent the interests of the professions with the public authorities, give help with economic issues, provide training through apprenticeship and manage business parks, ports, schools, etc…

2.2. Causes of the difficulties of employers’ associations

The representativeness and the authority of employers’ organisations are weakened by:
- the contradictory and often opposing interests of the members,
- the heterogeneous size of the members and consequently their weight,
- the "multinational" effect externalising the decision-making bodies and making decisions unpredictable,
- the growing economic uncertainty.

The employers’ associations are often blamed for their defensive attitude and for being overcautious. In Germany, these aspects are much less marked owing to a long-standing culture of joint, contractual and regular negotiation.

3. The third partner: the State, employer or arbitrator

3.1. The State as employer

The role of the State greatly differs from one country to another. The civil service is largely regionalised in Spain (Provinces) and in Germany (Länder); it is highly centralised in other countries such as France.

Nationalised or public firms have special statuses that are more advantageous for the staff than private firms. When these firms are privatised by States, the employees concerned often show their opposition by strikes, as they are afraid of losing the advantages of their status, particularly the security of employment.

Furthermore, a great deal is asked of the Welfare State: the mobilisation of citizens is often strong to maintain here or there a hospital unit, a police station, a post office or a school in an underprivileged area. The reform of the State depends on an increase in efficiency and a reduction in costs. It must also make the citizen aware of the need to use the public services properly (health, education, security...), without wasting resources.

3.2. The State as an arbitrator

It grants and guarantees the legitimacy of the organisations as sole spokespersons in the social dialogue and the management of regimes, in spite of the weakness of their representation. It is present in joint negotiations (employers-trades unions) at national level, has a great deal of influence on them and decides on the evolution of the law and rights in the social field. It has force of law and extends collective agreements by decree. It carries out its role of supervision and respect of the law through the Factory Inspectors. The place of the State in negotiations and the establishment of regulations are very different, depending on the country.

3.3. Tripartite dialogue

In accordance with the heritage of the past, the specific culture of each country and the political parties in power, the place of the three partners and their mutual importance are extremely different. Often, in the private sector, dialogue with the State is strongly influenced by employers’ organisations and the liberal economic policy that prevails in Brussels, given that the majority of economic decisions now fall within the remit of Brussels and professional bodies carry out lobbying through the intermediary ministries (agriculture in particular). The transfer of competence to the Commission has similar repercussions for all the countries of the Union.
In the public or para-public sector, the trades unions are, on the contrary, in a position of force with regard to the government, through the threat of strikes which concern the public services in particular.

We would finally like to underline that the first tripartite dialogue organised at international level (governments, workers' trades unions, employers' organisations) is that which has existed for a long time and which operates through the International Labour Office ⁴.

4. European social dialogue ⁵

Initiated in 1985 and provided with a legal basis in 1986, through the Single European Act, the objective of European social dialogue is to involve the social partners in building the internal market. In order to reinforce the role of trades unions, the Maastricht Treaty imposed, in 1992, the compulsory consultation of the social partners and introduced the possibility for the social partners to negotiate framework agreements with each other. The three social partners are the European Trade Union Confederation (ETUC), the European Centre of Enterprises with Public Participation (CEEP) and the Union of Industrial and Employers’ Confedérations of Europe (UNICE).

* The negotiation of framework agreements: Social dialogue offers the social partners the possibility to negotiate framework agreements with each other. At the end of these agreements they may, if need be, request the European Commission to translate the measures into a Directive to be submitted to the Council of the European Union and the European Parliament. The first European social agreement, on parental leave, was signed in 1995. This was followed by a second agreement, in 1997, on part-time work and, in March 1999, by a European framework agreement on fixed-term contracts. Inversely, when invited to discuss the information and consultation of workers in national firms, the social partners did not manage to reach an agreement. The European Commission therefore proposed, in 1998, a Directive on this subject to the Council of the European Union and the European Parliament.

* The consultation of social partners: The European Commission consults the social partners on questions related to social policy, before proposing new Directives. The partners then present it with opinions or recommendations. The social partners are also represented in different Committees: Economic and Social Committee, thematic Consultative Committees (equal opportunities, public markets, vocational training...), Committees concerning the programmes of the European Community, etc.

4.1. European Trade Union Confederation (ETUC) ⁶ ⁷

Established in 1973, it groups 77 member organisations, from 35 countries, as well as 11 European industry federations, to provide a trade union counterbalance to the economic forces of European integration. ETUC is recognised by the E.U. and the Council of Europe as the only cross-sectoral trade union organisation at European level.

Representing an initiative for unity and pluralism, ETUC is nevertheless confronted with the difficulty of combining different concepts of trade unionism (the trend of the Northern countries giving priority to a tradition of co-management and dialogue within the existing socio-economic system and the trend of the Southern countries ready to question the system, leading to a greater number of strikes, actions and demonstrations). The trend of the Northern countries is currently dominant. ETUC occupies a difficult position given the stand of its national member organisations, concerned with maintaining the level of protection of workers, and which express the hope that in the framework of the enlargement, the social situation will be levelled upwards.

European Trade Union Confederation

ETUC seeks to influence European legislation and policies by making direct representations to the various institutions (Commission, Parliament, Council), and by ensuring trade union participation in an extensive and multi-faceted consultation process with the European authorities, involving the social partners, in areas such as employment, social affairs and macro-economic policy. ETUC also coordinates trade union participation in a number of advisory bodies, including the Economic and Social Committee and the European agencies for vocational training, living and working conditions, health and safety.

The European Works Council Directive, the Directive on Information and Consultation Rights or the European Charter on Fundamental Rights are all examples of the results of ETUC's action. www.etuc.org

Institutes

The European Trade Union Confederation has set up three Institutes to support its work on:
- Social Research: ETUI
- Trade Union Training: ETUCO
- Health and Safety at Work: TUTB

These Institutes work independently (run by their own management committees), but in close cooperation with ETUC.

They have a common project of documentary resources (30,000 references) in the field of work: Labourline covering:
- industrial relations: ETUI Labourline
- health and safety at work: TUTB Labourline

www.etuc.org/en/institutes

² International Labour Office www.ilo.org
⁴ ETUC (European Trade Union Confederation) www.etuc.org
⁵ André Linard : "Syndicats : Pour des lendemains qu'ils chantent encore », Editions Labor n° 58, 2002
4.2. Employers' organisations:

At the other end of the scale, two main organisations exist: UNICE (Union of Industrial and Employers’ Confederations of Europe)\(^8\), but also the CEEP (European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest)\(^9\).

UNICE is the official spokesperson for the firms and employers’ organisations of the Member States. It focuses on four lines of action: encouraging entrepreneurship, creating space for business, improving labour market flexibility and promoting a balanced sustainable development policy.

These strands of action translate into the following work priorities: a well-functioning internal market, including less and better legislation; long-term stability of economic and monetary union; promoting coherent competition rules; furthering liberalisation of world trade and investment and the balanced integration of economic, societal and environmental concerns.

It can be seen that the strong themes of the UNICE are considerably different from those that interest ETUC.

Finally, the European Centre of Enterprises with Public Participation: Created in 1961, the CEEP represents enterprises or organisations with public participation or carrying out activities of general economic interest in the member countries of the European Union. The CEEP deals with different themes, such as competition, State aid, trans-European networks, taxation, public markets, regional policy... The CEEP considers that it has a role as a promoter of Services of General Interest (SGI). Thus, in the conclusions of the Seminar which took place in Coimbra, in March 2003, it declared that it « has delivered a strong message: Europe needs something other than a huge market. It is not only competition that ought to have precedence... A readjustment should be made. The competition rules should be completed with other measures that avoid any penalisation of services of general interest. A fair balance must be found between the seemingly contradictory notions of the market and social welfare »\(^9\). And in the context of the Convention on the Future of Europe, the CEEP defended specific arguments on this subject\(^10\).

5. The developments and difficulties of a social Europe.

5.1. European Works Councils

Large multinational firms have taken the initiative of setting up staff representation structures at European level, in conjunction with trades unions (Thomson in 1985, BSN-Danone in 1986, Pécime in 1990, Volkswagen in 1988 for its subsidiary companies SEAT et AUDI, Renault in 1993). The European Directive of 1994 instituted the principle of a representative body of employees at European level (compulsory for over 1000 employees in Europe with at least 150 employees in two Member States). A strange contradiction can, however, be seen in the construction of a social Europe: free movement of persons and equivalence of degrees and diplomas on the one hand and, on the other, the impossibility for a German trade union to create a section in France in a subsidiary of a German firm and vice versa.

At the beginning of 1997, the Vilvoorde affair (closing of the Renault Factory in Belgium) could have given the impression that a European trade union problematics was emerging. In fact, in an expression of national egoisms, the trade union sections of the Renault firms in France and Spain negotiated improvements in the organisation of work, in order to assume the extra production caused by the closing-down of the Belgian site.

In the Resolution adopted by its Executive Committee in December 1999, concerning the re-examination of the Directive on European Works Councils, ETUC first of all noted that over 600 agreements establishing European Works Councils were expected by the end of 1999 and that consequently, there existed sufficient practical experience to show how the Directive should be improved. It called for strengthening the European Works Councils’ right to information and consultation and for recognising, in the new Directive, the long-standing role of European Industry Federations in establishing European Works Councils and making them work. In fact, these have carried out a coordination function in over 3/4 of all negotiations in European Works Councils.\(^6\)

5.2. Social inclusion in Europe

ETUC is demanding that new financial resources be allocated, particularly at a national level, as a condition for the success of plans for social inclusion in Europe, but that this should not jeopardise the means allocated to social security regimes. After a conciliation procedure, the European institutions have just agreed to

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\(^8\) UNICE www.unice.org
\(^9\) CEEP www.ceep.org
\(^10\) « Services of General Interest, Pillars of Europe », contributions of the CEEP, Spring 2003
a 4-year, 75 million € European Community anti-poverty programme. ETUC underlines the importance of involving practitioners from Eastern and Central European countries in the implementation of this programme.

5.3. Social deregulation in the new member countries in 2004

« At the moment, we are experiencing a social ‘unravelling’ in several Central and Eastern European countries. These countries are using the requirements of the enlargement of the Union as an alibi for social deregulation », stated Jean Lapeyre, ETUC’s Deputy General Secretary, on 11 October 2002, at the opening of the ETUC Conference on « Fighting Deregulation in Labour Law in Central and Eastern European Countries ». According to Mr. Lapeyre, it is very important for the Convention to undertake an in-depth revision of the Treaty and highlight the social requirements of the citizens’ concerns. « ETUC is concentrating its action on the protection of the European social model, cohesion and solidarity », he stated. Several speakers argued that union rights are often flouted and atypical work is developing, as well as the demand for greater flexibility. (Future of Europe).

5.4. The economic and social situation in Europe

The 10th ETUC Congress (Prague, June 2003) declared that it was deeply concerned by the very serious economic and social situation in Europe. Deflation, and a consequent vicious spiral of increasing unemployment, decreasing growth and worsening competitiveness, must not be allowed to gain hold. ETUC and its member organisations are committed to vigorously resisting attempts to use the crisis to dismantle the European Welfare State. The Congress requested that the European institutions and Member States take urgent steps to address the crisis and to get back on track for meeting the Lisbon full employment and competitiveness objectives. The Congress in particular called for:

- the European Central Bank to urgently make a significant reduction of interest rates to stimulate growth and to combat deflation;
- Ecofin to agree on a package of coordinated measures, consistent with the Lisbon goals, in order to strengthen demand by at least one per cent of the GDP, concentrating in particular on investment in education and training, research and development, environmental technologies, and trans-European infrastructures.

5.5. The future of a social Europe

The strengthening of economic and social cohesion is one of the three objectives of the European Union, along with Economic and Monetary Union and the completion of the Single Market.

For ETUC, « this commitment should be even stronger in an enlarged Europe, insofar as the principles of cohesion and solidarity are written into the Treaty and constitute two of the most important driving forces for the integration of peoples and territories. It therefore considers that the EU Constitutional Treaty, which will emerge from the European Convention on the future of an enlarged Europe, should also ensure the existence of a social and citizens’ Europe and should strengthen the economic, social and territorial cohesion policy ». Again for ETUC, « enlargement represents a unique historical opportunity to unite the peoples of Europe founded on fundamental democratic values » (ETUC, 19-20/11/2002 : The Future of the Economic and Social Cohesion Policy in the European Union after Enlargement).

Without any doubt, the reunification of Europe is a challenge of unprecedented proportions in political, economic and social terms. Unlike the preceding enlargements, it must be noted this one is in danger of increasing disparities and differentiations. Thus the policies of economic and social cohesion of the E.U. are of fundamental importance, for both the new Member States and the disadvantaged regions of the 15 current member countries. It is a dual challenge: first of all that of solidarity towards the new Member States, given the enduring needs of these fifteen countries, then that of finding a solution (a compromise?) between the requirements of economic development and those of social protection and cohesion.

With regard to this inevitable tension between the economic and social aspects, we feel it is interesting to give below the viewpoint of Michel Albert, Jean Boissonnat et Michel Camdessus, expressed in the conclusion of their book entitled « Notre foi dans ce siècle » (Our Faith in this Century): 11:

Using an approach with which we agree, « Europe cannot be reduced to an association of peoples combining their efforts to solve problems... It is becoming a collective plan... A determination to bring alive and defend shared values before History... Only this approach is able to mobilise the peoples of the “old” continent...

« We affirm that our common ideal – our project – is based on a foundation of values:
- freedom and subsidiarity
- responsibility and solidarity
- tolerance and pluralism.

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We affirm (...) that « the fulfilment of the person comes about in a complete relationship with others, based on responsibilities and giving. It ensues from this for the whole of society that there cannot be true peace without social justice... We stress the importance of four immediate conditions for establishing a fruitful tension between the economic and the social »

- the place given to the poorest communities, groups and individuals in our societies;
- the quality of social dialogue that we must reinforce at European level;
- a deeper study of the rules of competition to avoid disloyal competition which increases inequalities and favours financial income to the detriment of employing a less-qualified workforce;
- the continuation of the recognition of social rights whose reinforcement must be the responsibility not only of the different public authorities, but also the direct responsibility of citizens »

Questions

1. Given the development of multinational firms in Europe is a rapprochement between the national trades unions of the different countries desirable and possible ? If not, is the building of a united Europe and its enlargement still an opportunity for European trade unionism ?

2. Do the countries of Central and Eastern Europe in particular, give priority to « economic recovery through forced markets » with regard to the other countries of the Union, even at the cost of a loss in the social field (support for the unemployed, privatisation of public services etc.) ?

3. Are the 15 countries of the former Union ready to mark a pause in their economic development to increase the proportion of subsidies to be paid to the most disadvantaged regions of the Union, particularly the new entrants ?

A summary of the main points :

- The globalisation of the economy creates new problems for tripartite dialogue (delocalisation of powers).
- After the reunification, the Europe of 25 members will have difficulty in reconciling the requirements of economic development with those of social protection and cohesion.
- The citizen and associations of citizens, a fourth partner ? The place of this latter is becoming increasingly important. He or she is concerned as a taxpayer, a user and also as a practitioner in the social field with regard to the jobless, the excluded, immigrants...). Informing and making citizens feel responsible are conditions for the development of democracy.

12 The text has been underlined by us.
1. Education, a compulsory doorway for access to employment

All the States of the world have realised and admitted that education is a fundamental challenge, both for the balance of people and for their integration into society and the professional world. The school is recognised as an almost unique place for the integration of immigrants. Even more, according to the Report of the Delors Commission, "it is desirable for the school to give [each individual person] a taste for, and the pleasure of, learning, the capacity to learn to learn and curiosity of the mind [...]. For this, nothing can replace the formal education system."

Educational expenditure is constantly growing in percentage of the GDP (in France, this percentage went up from 6.3 % in 1975 to 7.2 % en 2000, that is, an expenditure of 100 billion €, twice the amount of the income tax paid by all French people). In this field, France is in a median position in relation to its European partners, the percentage of the GDP devoted to education varying from 3.5% for Greece to 8.4% for Sweden. Once again, the countries of the North are those which devote the most efforts to education and the countries of the South those whose expenditure is the lowest.

In spite of the large amounts of expenditure (3 800 € per pupil and per year in primary school, the double in secondary school and multiplied by 2.5 in higher education, namely, an average of 1850 € per taxpayer), the discontent concerning State education is almost unanimous as far as pupils, parents, teachers and employers are concerned.

The acknowledgement of failure is shown by the percentage of those aged between 16 and 65 who have difficulty in reading and understanding everyday texts: this percentage is 7.5% in Sweden, 10.5% in the Netherlands, 14.4% in Germany, 40% in France and 42.6% in Poland.

The dysfunctions have almost been identified but there is no determination to find remedies:

- Teachers who pass the CAPES examination with success to become certificated teachers choose the best sixth-form colleges.
- Sixth-form colleges publish lists of those who successfully pass their examinations, but select the best pupils at admission level.
- Young teachers who are just beginning their careers and have no experience are appointed, first and foremost, in sensitive areas.
- Native French people who live in the suburbs bypass school zone maps and choose elitist or private establishments often a long way away, thus accentuating the concentration of immigrant children in local schools.
- In these primary schools, the first task of the teachers is not to teach them to write, but to speak French.

In reality, the education system cannot successfully carry out something for which it has not been conceived and organised, namely, the integration of children whose families do not give them the necessary educational basis and who are thus not adapted to being admitted to school (and certainly not only to following and completing a school career).

1.1. Initial education and training

1.1.1. General and/or vocational (from primary to secondary)

School careers are generally identical for all young people up to the end of the lower secondary school, that is, up to 14 or 15 years of age. The common-core syllabus continues until 16 years of age in Denmark, Spain, Finland, Sweden and the United Kingdom. The schoolchildren are faced with choices of career paths at the beginning of lower secondary school, generally at the age of 10 in Germany and in Austria and at the age of 12 in Luxembourg.

As a general rule, all pupils follow the same compulsory subjects (the mother tongue, mathematics and a foreign language) in general secondary education.

In higher secondary education, a vocational or technical option is often offered to the students, parallel to the main general education.
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In Ireland, as well as the main education, courses are proposed containing elements of general education and vocational training. These courses lead to diplomas in technical subjects.

In Sweden, vocational education and general education are integrated into the curricula in the same schools, as part of an upper secondary modular education.

In the United Kingdom, in addition to compulsory education, students can obtain a diploma in either general subjects or in a professional field, or in a combination of both. Admission to higher education is theoretically possible from the age of 18, except in Luxembourg, Liechtenstein, Finland, Sweden, Norway and Iceland, where this is later.

The admission age is variable in Germany (18 or 19 years of age) and in the Netherlands, depending on the type of studies chosen. Furthermore, school systems are entering the information and communication age. Information and Communication Technologies are today integrated, or in the process of being so, into primary and secondary education curricula in all European countries.

1.1.2. Higher or Specialised (Bac/Advanced Level GCE +2 or 3 to Bac +10)

In the European Union in 2003, almost 30% of people with higher education degrees or diplomas come from the « social sciences » section, which covers commercial studies and business management, information and documentation.

This field produces the most degree and diploma holders in practically all the countries of the E.U. and EFTA/EEA; in France and in the Netherlands, almost 40% of those with degrees or diplomas come from this section.

Only Germany, Finland, Sweden and Iceland do not follow this trend. In these countries, the highest percentage of degree and diploma holders come respectively from the following sections: « engineering and architecture » 22%, « medical sciences » (28%) and « educational and training sciences » (22% in Sweden and 24% in Iceland).

The lowest percentage (3%) is to be found in the « mathematics and computer sciences » section.

In the majority of the countries that joined the E.U. in 2004, the predominating category is also that of « social sciences ». Three countries are exceptions: Hungary and Poland, where « educational and training sciences » number 38% and 28% of those with degrees and diplomas, and Slovakia, where 30% of these are engineers or architects.

1.1.3. Towards a European recognition of degrees and diplomas for greater mobility

Support for student mobility, which makes it possible to contribute to the creation of a European education area, is one of the major assets of the Socrates Programme, of which Erasmus has been a part since 1995. The Programme now enables higher education students to study between 3 months and 1 year in one of the thirty participating countries (the 15 countries of the previous E.U., Iceland, Liechtenstein, Norway, the majority of Central and Eastern European countries and Cyprus).

1.2. Continuing education and training

« The concept of learning throughout life is the key that gives access to the 21st century. It goes beyond the traditional distinction between initial and continuing education. It meets the challenge of a world that is constantly changing... »

Education and training throughout life represents both a social and economic challenge. It means enabling citizens who have been obliged to give up their studies to take them up again, without useless obstacles, increasing the number of executives that the country will need through complementary university studies and having a learning career marked by formative professional experiences. Thus the validation of the experience acquired will make it possible to have access to training.

Learning throughout life means not simply limiting oneself to an initial education or training but to have a continuing career with improved personal and professional career prospects. « It is learning to know, learning to do and, over and above all, learning to be ».

7 « Key Data on Education in Europe 1999-2000 / Chapter J. Information and Communication Technologies »
http://www.eurydice.org/Documents/Key_Data/Fr/fr_fr.pdf
8 « Key Data on Education in Europe 1999-2000 / Chapter F. Higher Education »
http://www.eurydice.org/Documents/Key_Data/Fr/fr_fr.pdf
The practices of firms in the field of the continuing training of their employees are extremely diverse in Europe. Firms in the countries of the South (Spain, Portugal, Greece) attach less importance to the training of their employees (almost 20%), whilst training firms in the countries of Northern Europe (Denmark, Sweden, Netherlands, United Kingdom, Finland) work with over 85% of the employees.12 13

In France, the Law of 1984 makes it compulsory for firms with over 10 employees to pay a contribution equal to 1.5% of the gross wage bill to an authorised training body (0.15% for less than 10 employees). Exoneration is possible if training activities are financed inside the firm or if outside training agreements exist. For large firms, this represents considerable sums of money, not always wisely used. The continuing training budget in France amounts to 6.8 billion €.

This gives rise to abuses of many kinds: covering the cost of different courses which have nothing to do with the firm’s activities and seminars for deserving executives in “exotic” places (training as a reward, training as a "carrot"). A large number of offices, which are not always qualified, have been created following this law, in order to siphon off the contributions of firms.

1.2.1. to follow the evolution of a technology ("the followers") for present needs

in order to take into account, for example, the introduction of computer processing in everyday life.

1.2.2. to anticipate a technological evolution and train future leaders in a constantly changing economic environment (for future needs)

This type of training is for executives whose high potential has been identified. It is thus, for example, that at 30 years of age, an engineer or someone with a higher education degree will be offered training in a business school of the type INSEAD, IMD (Lausanne), LBS, Harvard.

1.2.3. on-the-job training inside the firm

This also has its importance (see Information Sheet 1.1, paragraph 2.3.3) : the ideas concerning qualifications have been changed by the irruption of the post-industrial economy. The necessary skills, both management and social skills, have many similarities with a sense of initiative, autonomy, the capacity to communicate and the ability to position oneself in a complex human environment; in short, to become assimilated into the culture of the firm.

1.2.4. Training systems alternating between formal education and the firm result in the reduction of the unemployment of young people

Germany, the first country to put this training into practice through apprenticeship, has performances that are higher than those of its neighbours on account of the low percentage of the unemployment of young people that it manages to maintain. It has been followed in this field by Sweden, the Netherlands, Norway, Denmark and Switzerland.

2. General culture as a means of adapting to future changes

2.1. General culture : a concept that it is difficult to grasp

The debate is long-standing and ongoing between the defenders of so-called general education and those who defend specialised or vocational training.

General culture, which consists of recognising, identifying and seeking answers adapted to different situations in a complex world, cannot be ignored. It makes learning to learn possible. It is the compass that will allow each and every one to be guided all throughout life, keep a main thread in his or her life and adapt to changing situations.

It is also the particular resources, specific to the different human groups, which enable them to recognise each other and communicate with each other and also maintain contact with other people of similar ideas, through exchanges, namely, to establish human relationships.

Should the specialisation of education only come about once the common-core curriculum that general culture represents has been acquired, as this forms a kind of basis on which the rest can be founded in terms of diversification?2

12 « L’Europe de la formation tout au long de sa vie reste à construire », Céréq, Bref N° 187 – June 2002
13 « Un panorama de la formation continue des personnes en France », Céréq, Bref N° 172 – February 2001
14 H. Perret : « L’avenir du Travail Les démocraties face au changement », Seuil
2.1. whose field of application is wide

The firm participates in this permanent character and this dissemination of culture, thus discovering new and contrasting vocations: seeking excellence, motivation of the staff, interest in the town and environmental problems, even going as far as the idea of sustainable development 18.

Caught up between a strictly economic responsibility and human and social responsibility, leaders are now becoming interested in their role, their motivations, their practices and their values. A reform of how the firm views its understanding of its aspirations and operational procedures would seem to be necessary: leading involves giving a meaning.

2.3. ... and which can create and accentuate inequalities

In the face of the rapid obsolescence of knowledge, it is the person who has kept an appetite for knowledge and discoveries who can not only keep his job, but also be promoted to the highest levels in the firm and in society in general.

Our culture is composed of different strata. A favoured environment can certainly foster the attainment of knowledge but when it is an individual process, it is finally the individual person who holds the keys to his or her own fulfilment in the society in which he or she lives.

Let us conclude with this quotation of Bronislaw Geremek [in 1, p.250] « Education throughout life quite naturally counters the most painful of exclusions – exclusion by ignorance. The changes that the information and communication technologies are undergoing – sometimes referred to by the term of computer revolution – intensify this danger even more and give education a crucial role in the perspective of the 21st century. All educational reforms should consequently be accompanied by an awareness of the dangers of exclusion and by a reflection on the need to maintain social cohesion ».

Questions

1. Does training serve the economy or man and his fulfilment ? Is it admissible, on the contrary, to let young people opt for careers without any future and without prospects ?
2. How is it possible to take into account four parameters contributing to the quality of education : the environment (the public to be trained), the resources (the cost), the service rendered and the results obtained ?
3. How is it possible to promote the responsibility of families and ensure complementarity between them and the school in taking social inequalities into account ?
4. Is an effective partnership between the educational system, decentralised public authorities and practitioners of the economic world possible with a view to the common good and the fulfilment of the persons to be educated ?
5. How can the race for degrees and diplomas, fostered by illusions concerning the jobs of tomorrow, be regulated ? 19
6. How is it possible to identify the sectors which have a future? What procedures can be developed and what methods used to ensure training for future careers ?
7. How can the grievances of the professional world concerning some of the school’s deficiencies, particularly methods of teaching foreign languages which are not adapted, be taken into consideration ?

A summary of the main points:

• Education and training are the necessary keys for success in professional life and in life itself.
• The acquisition of knowledge during studies is not enough. The rapid evolution of techniques and the obsolescence of knowledge make it necessary to organise training all throughout life.
• A general culture is essential. It is the basis which enables people to specialise and adapt to an uncertain future.
• Education is not a field reserved for teachers; it is the affair of all and should be the subject of more open consultation.

18 “Réduction du Chômage en Europe », Conseil d'Analyse Economique, La Documentation française
19 « Démographie, Croissance, Emploi, Pour une société de projets », Michel Godet, Odile Jacob Press
THE FUTURE OF WORK IN EUROPE
ETHICS AND GLOBALISATION

This series of information sheets has been drafted under the responsibility of the Association :

« OIC Culture et Développement »
c/o CCIC : 9 rue Cler, F - 75007 Paris

with the aid of the EXECUTIVE COMMITTEE

Composed of:

Carlos Sanchez MILANI, then Germán SOLINIS, representing the MOST Programme,
UNESCO Social and Human Sciences Sector

Pierre BERTIN, of the Movement of Christian Business Executives, France

Jean BUSSAC, of the International Catholic Movement of Intellectual and Cultural Affairs,
President of the ICO - Culture and Development Association

Odile CHALLE, Lecturer at Paris-Dauphine University, Deputy Director of the CICLAS

Pierre-Henri CHALVIDAN, Professor and Vice Dean of the Faculty of Administration and Exchanges,
Paris XII-Val de Marne University, 94010 Créteil,
Vice President of the ICO - Culture and Development Association

Hervé CHOPPIN de JANVRY, Retired Engineer, Former Trade Union Leader,
Solange CHOPPIN de JANVRY, Permanent Representative of the International Association of Charities at UNESCO, Executive Secretary of the ICO - Culture and Development Association

Marcin FRYBES, Polish Sociologist, Research Director at the Centre for Sociological Analysis and Intervention, Institution of Higher Learning in Social Sciences, Paris, Coordinator of the Nova Polska 2004 Programme

André GARDIN, Associate Professor at Paris XII-Val de Marne University, Créteil

Yves PALAU, Lecturer at Paris XII-Val de Marne University, Créteil

Dominique PECCOUD, Special Adviser of the Director General of the International Labour Office for Socio-Religious Affairs, Geneva

Jean-Paul VIGIER, President of the European Federation of Ethical and Alternative Banks,
President of the Finansol Label

based on the work carried out by Myriam CHANE,
student trainee, DESS International Business Studies Diploma
Faculty of Administration and Exchanges, Paris XII-Val de Marne University