

**Reviving the Social Dimension
of the European Political Project**
Contribution and proposals

2007



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FOREWORD

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In an August 30th, 2006 speech before the XIVth Conference of Ambassadors, the Prime Minister expressed his desire that the *Centre d'analyse stratégique* examine the means available for strengthening European solidarity faced with the challenges posed by globalisation. He further asked that a report on 'strengthening social Europe', accompanied by concrete proposals that might be endorsed by France, be delivered to him.

In order to respond to this request, the *Centre d'analyse stratégique* sought the advice of numerous French and foreign experts and organised several working seminars bringing together representatives of the French administration, the European Commission and European Parliament, social partners and civil society. Bilateral contacts also took place in November 2006 with officials charged with social and European questions at the Chancellery and Federal Labour Ministry in Berlin.

The present document is the result of these exchanges and discussions. In keeping with the period of institutional reflection which opened six months ago, its sole ambition is to contribute to the debate concerning the social dimension of the European project.

Sophie Boissard
General Director of the *Centre d'analyse stratégique*

The irruption of social questions into the Spring 2005 debate over the referendum on the future Treaty establishing a Constitution for Europe took most French and foreign observers by surprise. While the question of the European construction's social impact has been present since the outset, it assumed a new dimension in a context marked by institutional reform, the accession of ten new Member States and increasing pressures of globalisation. The victory of the *non* vote in France has been interpreted by many analysts as the expression of a fear shared by other citizens of the Union: that of witnessing a retreat of European social rights which further extensions of the Community construction would be incapable of opposing.

Like the rest of the world, Europe is undergoing decisive economic and social transformation directly related to accelerating globalisation. This movement is seen by public opinion as at once inevitable and ambivalent. The bearer of multiple potentialities, it is also the vehicle of uncertainty and insecurity for the changes it brings about are considerable and profoundly upset social balance and organization.

These new realities invite a re-examination of the content, aims and organisation of Community policies in the social domain.

Do the immediate post-war choices that were at the foundation of the various social security systems in Europe remain relevant? The Union has played an important role in strengthening the performance of Member States in the social domain. Having expanded to twenty-seven members, can it continue to defend unaltered collective preferences in the context of globalisation? Europe has committed itself to not passively accept present change and to demonstrate the relevance of its strategic choices and values.

The widely held perception, especially strong in France in recent years, that European policies have failed to manage change does not do justice to the real advances that have been made over the decades. The European Union can boast of Community-wide social rights which, set alongside those of each of the Member States, continue to distinguish it from all other parts of the world, including the United States and Japan. In reality, it is in part a desire to preserve this heritage and specificity – seen as threatened by growing economic openness and increasing international competition – that has, in France at least, fed anxiety over the relevance of the European project.

Since adopting the Lisbon Strategy in 2000, the Union has re-centred its efforts toward constructing a European social and economic model which is competitive and adapted to the realities of our times. The European Council of Lisbon thus gave the Union the objective of by 2010 becoming *'the most competitive and dynamic information economy in the world [...], capable of durable economic growth accompanied by quantitative and qualitative improvement in employment and greater social cohesion'*. This plan considers the social dimension as the result of economic prosperity. While the main lines of this strategy and the claims upon which it is based are not contested, the content of the policies undertaken at Union level to 'realise Lisbon' are for their part the object of debate, particularly in regards to how these policies might be assessed with just three years remaining before the strategy draws to a close.

For some, there is no need to go beyond the rights acquired in recent years in the social domain. For them, these rights should, be re-evaluated with reference to the criteria and objectives of 'better legislation', a vast program for simplifying and reducing Community regulation.

For others, the objective of social cohesion emphasized by Lisbon on the contrary presupposes voluntarist policies and the pursuit of social rule harmonisation at the European level. It also presupposes greater integration of the social dimension within the Union's various sectoral policies (commercial policy, competition policy, deepening of the internal market). In a context marked by the aging of the European population and increasing mobility, this involves defining new social protections at the European level around four objectives:

- Avoiding downward levelling of systems of social protection as a consequence of exacerbation of inter-territorial competition both within and outside of Europe;
- Enhancing workforce participation, particularly among women, young people and older workers;
- Allowing men and women to reconcile professional and family life as they wish;
- Guaranteeing citizens fair access to the advantages and opportunities offered by the European construction in what concerns mobility in the single market, adaptation to globalisation and the promotion of human capital.

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The present document aims to assess the advances made by social Europe since 1957 (I) and to consider the degree to which its juridical tools, public policies and community-wide incentive measures are relevant within the new social and economic context (II). Certain possibilities, expressed as proposals, are sketched in the conclusion of this document. They are inspired by a desire to reconcile the greatest possible number of European citizens to the opportunities presented by an enlarged Europe integrated into the global economy (III).

This document is in keeping with the period of reflection on the future of the European project initiated by the European Council on 15 and 16 June 2006.

It follows in the footsteps of the work conducted by the European Commission subsequent to its May 2006 statement, '*A citizens' agenda - Delivering results for Europe*¹', in which the Commission announced its intention to conduct a detailed assessment of European social reality in 2007.

1 The changing face of the social question in Europe

Social Europe is the fruit of a long-term process and the social question in Europe is obviously no longer posed today in the same way that it was when the European Economic Community was first founded in 1957. Social arrangements at the European level took form over a period of nearly fifty years with the various acts and treaties which marked off the communal construction². Each of the major steps toward communal integration – the Common Market, the Single Market and the single currency – has resulted in significant advances for social Europe.

As a new chapter in its history opens, Europe is today confronted with major changes. The enlarged Union will henceforth evolve in a context marked by the globalisation of exchange. European integration once again deepened in the recent past; the nature of internal mobility within the Union is changing and intensifying; and European countries are confronted with a profound transformation of their demographic balance.

1.1 The Common Market in the industrial society of the *Trente Glorieuses*

When the Treaty of Rome was signed in 1957, the Europe of six was in the

2 - Community foundations in the social domain are the object of technical discussion in Appendix 2 of the present document.

midst of an economic boom. Europe was undergoing vigorous demographic growth, with the victors of the Second World War experiencing a baby boom. Full employment was assured and labour scarce. And economic expansion was such that the rural exodus was inadequate to meet the labour needs of industry. Businesses went in search of immigrant workers, not only in the countries of southern Europe, but also on the other side of the Mediterranean, in the Maghreb and in Turkey. Women were still largely absent from the labour market and it was even feared that their entry would result in social dumping since their salary was considered to be a contribution to that of their husbands. Finally, the retirement and health insurance systems, Bismarkian in inspiration, were still in the process of being implemented, with society's implicit debt to the generations who suffered during the War leaving no choice but recourse to the pay-as-you-go technique.

The measures adopted in the Treaty of Rome reflected the prevailing optimistic representation of relations between society and the economy during the *Trente Glorieuses*: **harmonization in social system progress would naturally occur, it was held, through the functioning of the internal market.** In the meantime, possible competitive distortions arising from, for example, disparities in the rate of social contributions, under-remuneration of women's labour and disparities in the number of paid holidays were nevertheless a cause for concern. Each of these three questions was to

receive separate treatment in the Treaty. In regards to the first, the negotiators did not succeed in reaching agreement on the text and, as a result, the question of social cost harmonization would remain open through the mid-nineteen eighties. In the second area, article 119 of the Treaty of Rome³ was to undergo the developments with which we are familiar and the abundant jurisprudence to which it gave rise was to be the instrument for the progressive realization of equal rights for women in the labour market. Finally, the third question gave rise to a declaration of principle that was to have no effect whatsoever⁴.

Free circulation, for its part, was reserved to workers, whether employees or no (freedom of establishment) but other European citizens – in particular, students, retired persons and the unemployed – were excluded from it and residency rights in other Member States continued to be submitted to very restrictive conditions. This was above all for fear of ‘benefit tourism’ in which individuals would be tempted to seek in other European countries social security benefits more advantageous than those to which they were entitled in their Member States of origin.

For workers, the principle of *lex locis laboris* applied, as much for the right to work as for participation in social security schemes. It was on this basis that communal regulations for the coordination of social security systems were established⁵. These arrangements

were intended for situations of long-term mobility, in which individuals came to work in a given Member States in order to obtain a better salary and working conditions prior to returning to their country of origin upon retirement.

For all that, the scale of this worker migration was to remain relatively modest until the end of the last century. Within the European Union labour force, the proportion of individuals from other Member States has remained stable over the years at around 2%. Despite fears of massive immigration, which led to the maintenance of quotas during a transition period initially set at six years, no massive exodus of Spanish or Portuguese workers to northern countries was recorded. Indeed, the migratory inflow from these two countries was to remain below the levels of the nineteen fifties and sixties. In some ways, this should be seen as evidence of the success of the economic and social cohesion and reduction in the development gap strategy, based on the commercial and financial integration resulting from the Common Market as well as the continually growing power of structural funds, particularly subsequent to the modifications introduced into the Treaty by the European Single Act (Article 158 TEC, ex Article 130A), which led to their reform in 1988.

The low volume of migration allowed social systems to remain autonomous and their diversity has since been accepted. As long as Member States populations remain in place in their vast majority and a minimum number of common

3 - Today, Article 141 TEC.

4 - Article 120 of the Treaty of Rome, today article 142 TEC: “Member States commit themselves to maintaining the existing equivalence in schedules of paid holidays.”

5 - Regulations no.3 and 4 concerning the coordination of legal systems of social security went into vigor on 1 January 1959 and were subsequently replaced by regulation EC no.1408/7 and regulation no.883/2004 of the Parliament and

Council on 29 April 2004. These regulations were intended to guarantee the totalisation for the opening and up-keep of benefit rights as well as their calculation in all periods considered by national legislatures and likewise for the payment of benefits to individuals residing on the territory of Member States.

rules concerning worker's rights are respected, the social domain can remain the prerogative of Member States and the internal market can adjust accordingly. Discrepancies in rates of social contribution have not had a significant impact on the working conditions of the Common Market. **The countries of Europe have progressively come to agree that European integration can accommodate the maintenance of different social models.** In short, the social question has continued to be governed by the principle of subsidiarity.

1.2 From the construction of social rules for the internal market to the open method of coordination

That a common social model was not rendered necessary by European integration does not mean that it was not sought after at certain moments. In fact, most of the European social rights were the result of a desire to establish common rules at the European level in order to consolidate national rights under threat from economic crisis and growing unemployment. In the nineteen-seventies, several directives were adopted to encourage conformity in Member State legislation bearing upon the maintenance of workers' rights in the event of business or workplace transfer⁶ and the protection of salaried employees in the event of employer insolvency⁷. It was also in this period that the first directive concerning

the rapprochement of Member State legislation relating to collective dismissal⁸ was adopted.

The European Single Act, adopted in 1986, brought a first modification to the Treaty of Rome. It authorized decisions to be taken by a qualified majority in order to remove non-tariff obstacles to the free circulation of goods by 1992, thereby accelerating the establishment of the internal market. It also gave the Community the juridical tools necessary for putting into practice two fundamental liberties contained in the Treaty which had until that point remained largely theoretical: the **free circulation of capital and the free provision of services** (that is to say, the possibility for companies to offer their services on a Community-wide basis without necessarily setting up a firm operating according to the national regulations of each Member State).

From the moment the Single Act went into vigour, the European Commission began discussing the '**social dimension of the internal market**'. This explicitly meant **constructing a European Community that might walk on two legs, one of which was economic (the completion of the internal market), the other social.** Their examination of the question led to a large number of Commission initiatives. These were founded, in particular, on Article 118 A which had been added by the Single Act and authorized the Community, on the basis of a qualified majority, to issue directives seeking to enhance workplace protection, especially in the domain of workplace health and safety⁹. At the same time, a certain

6 - Directive 77/187/EEC, 14 February 1977.

7 - Directive 80/987/EEC, 20 October 1980.

8 - Directive 75/129/EEC, 17 February 1975.

9 - Article 118 A has today been recast as Article 137 TEC.

number of general objectives were brought together in the form of a formal declaration adopted under the French Presidency in December 1989: the **Charter of Workers' Fundamental Social Rights**. It is to be recalled that the United Kingdom refused to ratify this charter.

The implementation of the Charter at the beginning of the nineteen-nineties permitted a certain number of advances to be made in the area of European social law, notably in what concerned the directives based on Article 118 A: workplace health and safety but also maternity leave and the work week. As some parties considered the interpretation of the notion of workplace health and security protection (justifying recourse to Article 118 A as legal basis for a text on the work week) questionable, this latter¹⁰ represented the **Program for Applying the Charter's** climax.

These advances led to the adoption, after thirty years of debate, of the directive completing the status of European society in what concerned employees' involvement¹¹ as well as the directive establishing a general framework relative to employee information and consultation in the European Community¹². However, these two texts left Member States much room to manoeuvre in deciding how to transpose fixed common objectives into national law.

That left the **promotion of European social dialogue**. In this area, European integration had a decisive impact. The consolidation of European social partners (ETUC, UNICE, CEEP) led to the adoption of the directive on European business committees¹³. And the social agreement annexed to the Treaty of Maastricht

which extended a right of pre-emption on the power of proposition in the social domain to European social partners was integrated into the Treaty of Amsterdam in 1997, thereby bringing an end to the British practice of 'opting out'.

In the nineteen-nineties, the conjunction of two factors was to badly handicap this search for ever-closer integration in the economic and social domains. On the one hand, **the construction of the economic and monetary Union became the Union's strategic priority**, relegating the social question to second place. On the other hand, the Union's enlargement in 1995 to include three new Member States led to **a reaffirmation of the principle of subsidiarity in the social domain**. Sweden and Finland are indeed extremely hesitant towards all Community intervention in this area, persuaded as they are that it can only weaken their social model, a model they consider to be the most advanced.

Beginning with the Treaty of Amsterdam, the regulative logic – centred on decreeing minimal standards at the communal level in order to level the competitive playing field and prevent social dumping – progressively gave way to another approach. **'Developmental' rather than normative, this approach sought policy coordination rather than harmonization and benchmarking (the gradual standardisation of norms by substitution of sound practices) rather than monitoring**. The European Union limited itself to imposing a coordination of national policies, with the Commission charged with evaluating these policies and formulating legally non-binding recommendations for Member States.

10 - Directive 93/104/EC, 23 November 1993.

11 - Directive 2001/86/EC, 8 October 2001.

12 - Directive 2002/14/EC, 11 March 2002.

13 - Directive 94/45/EC, 22 September 1994.

This new approach was first applied in the area of employment. Since the mid-1990's, Member States have pursued the objective of constructing a common policy in this domain with the aid of tools that have been progressively strengthened. The Treaty of Amsterdam sanctioned this evolution by instituting a new Title on Employment (Title VIII, Articles 125 through 130 TEC) which organizes the function of communal employment policy. A communal strategy for employment was elaborated during the extraordinary European Council of Luxembourg in November 1997. It defined common guidelines for national policy and invited Member States to elaborate national plans of action for employment.

It was then extended to the entire social domain in the framework of the Lisbon Strategy. From that moment on, the priority has been **to modernize the European social model and invest in human resources 'in order to protect the European social values of solidarity and justice while promoting economic performance'**. The **open method of coordination** and benchmarking constitute the privileged means for implementing this strategy and are intended to be applied to the various domains of social policy.

Evolution in the content and modes of implementation of community social policy also expressed the difficulties experienced by Europe's 15 (and now 27) Members in defining common constraining objectives in the social domain, so greatly are systems of social protection the reflection of social and political constraints specific to

each country. The differences between national social models were accentuated with the integration of the Union's Scandinavian Members and confirmed by the most recent enlargements. The Union's normative activity has thus been re-centred on common values and the protection of individuals at work (the fight against workplace harassment and discrimination), measures that are more easily universalised than is the case for redistributive policies. In these various fields, significant progress has been achieved.

2 The European Union today: heterogeneity, globalisation and demography, a triple challenge

Nearly fifty years after the Treaty of Rome was signed between Germany, France, Italy and the Benelux countries, the European Economic Community has today given way to the European Union, which now consists of twenty-seven members.

In this new context, a series of new challenges have emerged: growing heterogeneity of the European entity due to enlargements, increased mobility, accelerating globalisation, demographic upheaval and the emergence of 'new' social risks.

2.1 Meeting the challenge of heterogeneity and increasing mobility

European integration is taking place within an ever more heterogeneous context marked by growing mobility.

To the free circulation of goods and workers must from now on be added the free circulation of capital and the free provision of services. The completion of the internal market is nevertheless

taking place among a group of countries which, with each enlargement, becomes increasingly composite in regards to levels of development and income. The enlargements – the most recent round in particular – have profoundly modified the Union's internal equilibria.

In the area of wages as well as minimum standards of living, disparities have expanded to reach particularly elevated levels. In the twenty-seven member Union, the mean wage varies from one to ten. Even correcting for variation in the cost of living, poverty thresholds vary from one to five. The proportion of individuals living in households considered poor varies from one to two depending on the country.

Over the years, concerns about 'social dumping' had largely disappeared from the political landscape of the Union. As the debate over the internal market service directive forcefully demonstrated, however, the considerable gaps in development have revived these concerns.

What's more, mobility within the Union has intensified and changed nature. First of all, the socio-political profile of intra-community migrants has become more diverse. In addition to the often low-skilled wage earners of the agricultural and hotel-café-restaurant sectors must be added the increasingly large number of students who, encouraged by the *Erasmus* and *Leonardo* community programmes, carry out a part of their university programme in another European country as well as highly trained professionals, especially in high added value sectors.

This mobility is increasingly departing from traditional seasonal labour and is taking place over heterogeneous periods and according to diverse forms (internships, secondment, research exchanges, independent work, temporary missions).

Overall, the new mobility has left few traces in public statistics.

For the most part, it represents a positive contribution to European economic dynamism; it helps achieve Lisbon Strategy objectives and encourages full use of internal market development potential. This mobility can only increase with time.

It nevertheless remains the case that the growth in new types of mobility is both difficult to monitor and feeds fears over abuses that might de-structure local labour markets. In France, several controversial affairs involving worker secondment have clearly shown this. The French experience is hardly exceptional in Europe.

2.2 The need for successful integration into the global economy

Europe is a first rank economic power in the globalised economy. But the cohesion of European societies is weakened by the shock produced by the passage to a post-industrial service economy in which innovation is the key to competitiveness. This shock calls into question each person's position, lowers

the wages of the least skilled (particularly in traditional industrial sectors but also henceforth in the area of services) and, in a new productive configuration marked by ever shorter technological cycles, requires that employees make greater efforts to remain competitive.

The growing economic power of developing countries has already led to significant restructuring within the European Union (the steel industry, appliances, textiles, etc.) and fed public fears that the offensive strategy of commercial liberalisation favoured by the Union comes at a high social price. The scheduled end of the Multifiber Agreement in 2005 thus provoked demands for a moratorium in the process of European commercial liberalisation and even a return to higher custom duties in order to reduce the effects of competition from low-salary countries.

For the moment, these demands have not modified the Union's commercial strategy, which consists in betting on low added-value industries in emerging countries in order to bring solvency to local consumption, stimulate European exports over time and, in the short-run, reap gains in purchasing power for the consumers and businesses of the European Union. Much has thus been staked on the belief that the collective gains in point of economic growth following from the reorganisation of world commerce and the new division of labour which accompanies it will outweigh the resulting adjustment costs.

This strategic vision and the consequences it entails over time in regards to the sectoral and territorial redistribution of activity at the level of the Member States

and more generally the European zone have not been genuinely accepted as such by public opinion. This is the origin of the critiques and misunderstandings to which it gives rise, especially among those populations and territories that are particularly exposed to competition from low-wage countries and the phenomena of delocalisation that may result from it.

At the economic level, there is no doubt that protectionism would aggravate difficulties instead of resolving them. But it might represent an ever greater temptation should no convincing response be brought to the feeling of economic insecurity now spreading across European societies.

Even if outsourcing remains statistically limited both in terms of employment and in terms of foreign direct investment, its political and psychological impact is extremely strong and encourages public opinion to develop a negative view of international trade liberalisation.

Until now, the Union has put off defining an overall social and economic strategy for managing the consequences of this opening to exchange. The recent creation of the European Globalisation adjustment Fund and the emphasis placed by the German presidency on fair globalisation as an objective are the first signs of a welcome willingness to take on these issues.

2.3 Faltering demography and new societal questions

European demography is faltering.

As the European Commission noted in its 12 October 2006 statement¹⁴, the twenty-five Member EU is expected to lose more than 10% of its inhabitants between now and 2050 (48 million in total) simply due to the excess of deaths over births. Migration flows will not suffice to compensate for this drop even should present tendencies be prolonged (which would represent 40 million new immigrants between now and 2050).

The economic impact of the ageing of European countries cannot be compensated for merely by raising employment rates. Even with a 70% employment rate – the objective set by the Lisbon Strategy – the total number of individuals employed in the Union is expected to diminish by 30 million. Dependency rates for elderly persons (the number of individuals 65 and older relative to the number of persons between 15 and 64 years old) will double to reach more than 50% and the relevant public expenses might increase from around 3 to 4 points of GDP between now and 2050.

Responding to the demographic challenge is thus a necessary item on the European agenda. The Commission's 12 October 2006 statement develops an extensive and ambitious analysis of these problems, which are not uniquely matters of ageing. Reduced fertility, an extension of life expectancy as well as

¹⁴ - European Commission, Communication 'The Demographic Future of Europe – From Challenge to Opportunity', COM/2006/571, 12 October 2006.

housing problems, questions concerning childcare and the search for gender equality embody and reflect new realities and family aspirations.

This explains the emergence of a broadened analysis of new social realities at the European level founded on the theme of well-being, which is moreover contained in the treaties. This is not simply an economic or public financing problem but a question of what kind of **“Europe we wish to leave to our children”**¹⁵ and of how we are going to go about responding to new social risks.

These new risks take several forms. They are the consequences of growing individualism, the decline of the traditional family, the affirmation of the necessity for strengthening gender equality and growing inequalities in the area of labour market access. They are expressed by the growing number of young people who drop-out of school without obtaining a diploma, rising rates of child poverty, the particular difficulties facing one-parent families, the emergence of illnesses specific to developed societies (obesity, mental health), an upsurge in violent crime and the difficulty of integrating migrants and their children.

Up till now seen as essentially tied to work and the functioning of the large single market, the social question has thus also become a question of society. It is no longer simply a matter of employment and the labour of the working population but also of social cohesion and the relations between citizens. Responses to these new risks are in part national;

due to the common character of these challenges and the interdependence of European societies, they also concern the entire Community.

While there today exists a relative consensus concerning the identification and analysis of the common challenges facing Union Members, no such consensus exists, by contrast, in what concerns the type of political response that needs to be made at the European level.

15 - European Commission, Communication ‘European values in the globalised world - Contribution of the Commission to the October Meeting of Heads of State and Government’, COM/2005/525, 20 October 2005.

3 How shall we respond to these challenges?

Does the framework constructed at the time of the Common Market to address the social question remain well-adapted to this new European and global situation? If not, how is its evolution to be directed in the years to come?

Several conflicting theories today do battle on the European scene. The arguments for renewing the social dimension of the European project are not without force.

3.1 Three competing theories

As to whether the Union must reinvest in the social dimension, the Member States are divided and the Commission itself is hesitant.

One can distinguish between three main approaches.

- **The status quo** at the European level. In the view of some, the essential has already been accomplished in the social domain and it would be counter-productive to go further at the community level. The social domain remains and must remain the first responsibility of Member States. In the context of the objectives set by the Lisbon Strategy, it is

thus up to each of them to undertake the necessary adaptations and construct appropriate 'national reform programs'. Among the supporters of this thesis, who can be found as much in the 'social' states of northern Europe as within countries embodying a more liberal model, some even advocate deliberately encouraging competition between the different national models within the internal market in order to identify the most efficient.

- **A break.** Others believe that, henceforth, the Union's priority should be to meet the competitive challenge of emerging countries. The Union must therefore not become involved in a race for 'best social value' that might reduce its competitiveness in external markets. Moreover, it does not have the means to do so, its juridical tools having reached their limits in a twenty-seven member Union. This theory today enjoys some success, particularly among certain new Member States, some of which are only now exiting the exacting phase of adjustment of the pre-membership period.
- **Deepening** the social dimension of the European project, a condition of its survival. According to this theory, valorisation of the social dimension would constitute the condition *sine qua non* for completing the internal market, ensuring the survival of the European project in general and guaranteeing that it is accepted by citizens.

Stated otherwise, the Union's capacity to overcome the period of doubt that began with the setbacks suffered by the constitutional treaty depends on its capacity as a political construction to propose convincing and global responses to the sentiment of social and economic insecurity which has spread among the public in recent years.

This third thesis is without doubt that which spontaneously receives the greatest support in French public opinion. But it has also not gone unheard at the Community level. Thus, in what marks a shift from early in the decade, the 2005-2010 social agenda of the European Commission noted the drawbacks resulting from the absence of social policy at the Community level and has made examining the concept of 'flexicurity' one of its priorities in the area of employment policy.

Three arguments give this thesis particular force.

First, as the recent debates concerning the service directive and the sectoral directives aimed at completing the liberalisation of network activities (postal services, energy) have shown, it now seems clear that such liberalisation measures are incapable of *a priori* drawing their legitimacy solely from the expected benefits to European producers and consumers. Experience teaches that these benefits are sometimes uncertain in the short term and that producers and consumers do not equally gain, with some of them even suffering from the new market conditions. Thus the importance of taking into account the social impact of these measures in point of territorial and employment equilibria upstream and providing credible responses.

Second, as the Commission recognised in its 10 May 2006 communication, '*A citizens' agenda - Delivering results for Europe*', there is hardly any doubt that the viability of the European political project depends on its support among European citizens, which is to be had by means of a shared sense of social justice and confidence in the future. However, successive enlargements coupled with the deepening of the internal market have led a portion of public opinion, especially in the 'old' Member States, to fear that Europe has surreptitiously become the Trojan horse of unregulated globalisation and to call into question the collective choices made in the immediate post-war period. As the working programme of the German presidency of the Union puts it, in order to diffuse this suspicion "*Europe therefore has to prove that it is capable of shaping both its internal and its external policy in accordance with its values in a globalized world*"¹⁶: those of liberty, solidarity and shared prosperity.

Third, Europe cannot be indifferent to the new social risks that confront its members, particularly as these risks readily cross state frontiers. The intermediary report on the social realities of the Union which the Commission is to submit to the European Council on 8 and 9 March 2007 will precisely aim to assess these risks as well as the challenges they represent for national systems of social protection.

16 - See http://www.eu2007.de/includes/Downloads/Praesidentschaftsprogramm/EUPresidency_programme_final.pdf.

3.2 How is the social dimension of the European project to be revived?

On the basis of existing instruments and policies, reinforced if necessary in conformity with the guidelines defined during the elaboration of the constitutional treaty, the present document endeavours to identify the prospects for action which might allow the Union to demonstrate its ability to respond to the three main challenges with which it is today confronted. These are: the management of increasing mobility; the reinforcement of cohesion and integration in an enlarged Europe; and population aging and changing demographics.

These prospects for action reflect three strategic objectives:

- To **reaffirm the Union's social objectives** at parity with its economic objectives.
- To **integrate the social dimension** into the main sectoral policies as part of a larger strategy of sustainable development.
- To **re-stabilise the instruments** of Europe in the social field by giving a greater role to social dialogue and multilateral cooperation.

3.2.1 Reaffirming the social objectives of the Union and assuring balanced functioning of the internal market

It is today understood that social progress does not automatically result from the operation of the internal market and that the latter can also, particularly in the short-term, increase inequalities. If the internal market is to genuinely lead to "*promotion of employment, better living and working conditions and their levelling through progress*" (Article 136 TEC), it is fundamental that no one is left behind, including in the new Member States.

■ This first of all requires **concrete displays of solidarity at the European level with individuals and territories confronted with the costs of adjusting to globalisation**. The European Globalisation adjustment Fund that came into effect on 1 January 2007 constitute a first step in this direction.

It also requires establishing **tools that will assist in the prevention and management of the repeated professional transitions** with which European employees will be confronted over the course of ever-shorter economic and technological cycles and ever-longer careers.

Faced with these uncertainties, it is appropriate to offer them quality, high-level social protection; loosened work rules and job flexibility can not be allowed to come at the expense of the level and/or

quality of social protection. Guaranteeing access to training and active assistance during periods of unemployment is indispensable to facilitating management of professional transitions and the development of human capital.

Initially, **common objectives regarding rights to late-career professional training** might be defined, particularly for employees who have lost their job. These common objectives might become a major axis of the integrated guidelines for growth and employment at the time of their revision in 2008.

This right to a new start might, in the middle-term, lead to **the creation of a specific financial instrument**. This would aim at supporting professional re-conversion projects involving European mobility and/or training in one of the key sectors of economic and technological development specified by the Union's industrial strategy¹⁷.

■ **Assuring the harmonious operation of the internal market in the social domain is another priority.** It is necessary to see to it that the labour movements accompanying growth in goods and service exchange take place under fair conditions and respect rules defined at the Community level. Workers present at the same work site must be treated in the same manner and independently of whether they are nationals or from another Member State of the Union. This equality of treatment must be particularly guaranteed when employees are temporarily posted by their employers to another Member State in the context of a cross-frontier delivery of service.

17 - European Commission, Communication 'Implementing the Community Lisbon Programme: A policy framework to strengthen EU manufacturing - towards amore integrated approach for industrial policy', COM/2005/474, 5 October 2005.

Oversight of the effective application of this rule comes up against a certain number of practical difficulties, a fact that has recently led to growth in bilateral cooperation between Member States¹⁸. Yet the multiplication of bilateral agreements is doubtless not the most effective framework for bringing about European labour market integration.

Following the example of the 1996 'secondment' directive, it would thus be useful to establish **a multilateral cooperation framework-agreement** in close consultation with the Commission concerning the fight against illegal labour, the concealment of revenue, fraud in social service provision and the prevention of risks of unequal treatment among European workers.

What's more, the Union should provide itself with the means for **effectively measuring employee mobility**. In particular, a system allowing it to register, at the European level, the total number of temporary assignments undertaken on Union territory is indispensable.

Finally, a **principle of mutual recognition founded on shared requirements** might be applied to national employment and social protection systems under the supervision of a European auditing board. This audit would seek to certify that national practices and rules are in conformity with community rights in the area of employment and social protection.

Establishing a procedure of this type would permit the Union to simplify the oversight procedures which *a priori* apply to trans-national service providers. It would also certainly contribute in the middle-term to facilitating national labour

18 - Three agreements for fighting against illegal labour have so far been signed by France, Germany (31 May 2001), Belgium (9 May 2003) and the Netherlands (19 January 2007).

market integration and labour movement flexibility.

Secondly, **common principles of remuneration** might be defined in order to discourage businesses from engaging in a form of social dumping by freeing themselves from the common rules of the game. These might take the form of minimal remuneration objectives expressed as a percentage of the median wage in each country and leading, in the middle-term, to recognition at the European level of a minimum wage principle.

■ A third indispensable example of the Union's social dimension: **the reaffirmation of the principle of solidarity, particularly in regards to the least well-off.**

In this respect and in keeping with the possibility of establishing a minimum wage principal at the European level, defining **a minimal basis of rights** (access to fundamental rights, medical care and social assistance, access to employment and training) which each state will commit itself to guaranteeing on its territory might also be considered.

Realising the solidarity principle also requires **recognising the actors who**, together with public authorities, **give it life on a day to day basis**. Several elements distinguish them from classic economic actors: the absence of profit motive, recourse to volunteer labour and no prior criteria regarding selection of beneficiaries. Yet these actors do not enjoy a clear juridical status at the

European level, which reduces their capacity for action and clouds their image. The adoption of a European status for associative and mutual benefit actors working in the social domain, similar to that extended to the cooperative sector, would allow these ambiguities to be resolved and would provide a European foundation for their development in a context in which solidarity activities and personal assistance are called upon to play a growing role due to European population aging.

■ The demographic question is the major issue facing the European zone in the medium-term. The Union would thus gain much from formulating **an ambitious strategy aimed at families and young people.**

This first of all requires **promoting policies allowing parents to reconcile family and professional life**. In keeping with the childcare objectives fixed during the European Council of Barcelona in 2002, structural funds might be more clearly oriented toward investment expenditures supporting children's services and childcare for employees, including individuals engaged in training courses.

In the case of young people, European initiatives might seek to encourage states to increase **academic and early professional financing** by means of study grants and guaranteed loans as well as by the gradual recognition of **a European mobility right** allowing every young person, whatever their degree course, to spend one year of his or her

academic career in another country of the Union.

All of these measures might be initially formulated during the 2008 revision of the integrated guidelines before later leading to more restrictive instruments.

3.2.2 Integrating the social dimension into the main sectoral policies

This objective first requires **systematic evaluation of the social impact of the various measures** decided upon at the Community level. This would allow the Union to fully integrate the social dimension into its selected orientations when implementing research and industrial innovation policies or negotiating commercial agreements with its partners.

For example, in what concerns its commercial policy, the Union must establish **an explicit link between the promotion of fundamental labour standards (FLS)¹⁹ and decent work²⁰**. With adoption of its 'new trade strategy'²¹ approaching, it might make a priority of including these standards in agreements to be negotiated with the Union's external partners.

The Lisbon strategy consists of three pillars: an economic pillar intended to

19 - European Commission, Communication 'The Social Dimension of Globalisation - the EU's policy contribution on extending the benefits to all', COM/2004/383, 18 May 2004.

20 - ILO, report 'A Fair Globalization: Creating Opportunities for All', February 2004.

21 - European Commission, Communication to the European Council and Parliament, 'A Competitive Europe in a Globalised Economy', 4 October 2006.

prepare for the transition to a competitive, knowledge-based economy; a social pillar seeking to modernise the European social model by means of investment in human resources and the fight against social exclusion; and, finally, an environmental pillar added during the European Council of Goteborg in June 2001 which expresses the interdependence between economic growth and the rational use of natural resources.

Shortly after the revival of the Lisbon strategy, the European Council of Brussels in June 2005 reaffirmed that this strategy was itself in keeping with the larger objective of sustainable development, that is, the need for responding to present needs in a way that does not compromise future generations' possibility for doing the same.

3.2.3 Promoting new tools for social Europe and strengthening existing tools

The **open method of coordination (OMC)** constitutes a vector of convergence for Member State policies. In this respect, it must be retained and its field of application enlarged to include new domains. To avoid bureaucratization of this instrument, which has sometimes been excessively limited to national and Community institutions, the exercise of coordination must be opened to European actors (social partners and NGO's) and the Parliament.

But the OMC cannot be the sole means available for Union intervention in the

social domain. Where assuring the effective application of community rights is necessary, the OMC is insufficient. It is not enough, for example, to solely rely on bilateral cooperation when verifying the working conditions, conditions of pay and employee secondment in the framework of a cross-frontier delivery of services.

What's more, **the Union's financial intervention tool in the social domain** must be consolidated. Community structural funds have shown solidarity between the countries of the European Union to the benefit of certain territories and social categories. If the funds are to retain their legitimacy, it is essential that, to the extent possible, they target issues of major interest for Europeans and adapt to the new social realities of the European Union.

The membership of twelve countries with standards of living and levels of development well below the community average requires a more significant mobilisation of structural funds, not simply to benefit the new Member States but also to assist the European Union workers and sectors destabilised by this increased competition.

This must not take place at the cost of two major tools: **legislative harmonisation** in areas in which decisions are reached by qualified majority and **European social dialogue**. These two measures must continue to be mobilised in order to complete the body of minimal social standards, particularly in the areas of workplace health protection and the

individual and collective guarantees of employees. By taking up the rights contained in the social protocol of Maastricht, the Treaty of Amsterdam furnished the juridical basis for significant involvement on the part of social partners in the construction of social Europe.

They are nevertheless confronted with difficulties in making full use of the powers in their possession, whether it concerns dialogue regarding social realities or concluding and proposing European agreements. However, sectoral social dialogue is a fundamental tool for efforts at bringing together economic, social and environmental objectives.

From this perspective and in order to encourage the development of social dialogue regarding sectoral policies, **the consultation of social partners at the Community level might in the future be extended to the juridical initiatives taken in other areas of Community policy**²². As the Treaty texts stand today, this only takes place by means of the European Social and Economic Committee. It would be very useful, for example, should European social partners be consulted, in accordance with Article 138 TEC, on the service directive proposition for the internal market, an issue involving significant social questions. The field

²² - Article 138 TEC today stipulates *"The Commission shall have the task of promoting the consultation of management and labour at Community level and shall take any relevant measure to facilitate their dialogue by ensuring balanced support for the parties. To this end, before submitting proposals in the social policy field, the Commission shall consult management and labour on the possible direction of Community action."*

of this expanded consultation might be defined by reference to Article III-117 of the text of the Constitutional Treaty project establishing a ‘transversal social clause’²³.

Finally, since not all Member States are today engaged in considerations of the subject to the same degree, **strengthened cooperation must be capable of implementation in the social domain** on the basis of precise objectives. Experimental approaches must thus be undertaken whenever possible in order to allow interested Member States to collectively deepen the Union’s social dimension. Strengthened cooperation of this kind aims to encourage realisation of the Union’s objectives, preserve its interests and – a particularly acute question in the social domain – reinforce the integration process.

The European Union today finds itself confronted with the conjunction of several factors: the fact that the Lisbon Strategy calls upon economic agents to change their behaviour in ways that will only be genuinely accepted if they bring about social progress; the advent of a new phase in the integration of European economies in which men and women will increasingly move about within the Union; and the need for greater social protection to accompany the reorganisations rendered necessary by globalisation, the acceleration of economic cycles and the evolution of our demographic preoccupations. Taken together, these factors indicate

that we have entered upon a new era, one in which the social question can no longer be understood as the sole affair of Member States but can instead become the object of an ambitious and voluntaristic common policy.

23 - Article III – 117 stipulates that “*In defining and implementing the policies and actions referred to in this Part, the Union shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health.*”

Appendix 1. List of people who A1 contributed to this report

The *Centre d'analyse stratégique* enlisted the help of several French and foreign experts for this project, and engaged in a thorough discussion and review of the intermediate version of the report with the most directly concerned parties. This process, which was made as open as possible, was conducted through a series of meetings and bilateral contacts.

1. Rapporteurs

The following people served as rapporteurs for the *Centre d'analyse stratégique*: Mr. Yves BERTONCINI, "Lisbon Strategy" Project Manager, Department of Economic and Financial Affairs; Ms. Marine BOISSON, "Social Europe" Project Manager, Department of Social Questions; Mr. Yves CHASSARD, Head of the Department of Labour, Employment and Training; Mr. Julien DAMON, Head of the Department of Social Questions; Ms. Marie-Cécile MILLIAT, "European institutions" Project Manager, Department for Institutions and Society.

2. Bilateral contacts

The following **bilateral contacts were established** in Brussels on 20 October 2006 by Ms. Sophie BOISSARD, with the assistance of Mr. Julien DAMON: Mr. Nikolaus VAN DER PAS, Director General of the EU Directorate General for Employment, Social Affairs and Equal Opportunities; Mr. Stéphane OUAKI, Deputy Head of Cabinet to the Commissioner Vladimir SPIDLA; Mr. Christian MASSET, Deputy Permanent Representative of France to the European Union; Patrick VENTURINI, Secretary General of the European Economic and Social Committee.

Mr. Yves CHASSARD held a series of in-depth **interviews with French social partners**. Contacts were established with the following management and union organisations: Mr. Yves VEYRIER, Confederal Secretary for the *Confédération Générale du Travail-Force Ouvrière* (CGT-FO), on 17 October 2006; Mr. Marcel GRIGNARD, National Secretary for the *Confédération française démocratique du travail* (CFDT), in charge of European Affairs, and Mr. Dominique OLIVIER, Confederal Secretary, on 17 October 2006; Mr. André-Luc MOLINIER, Director of European Affairs for the *Mouvement des Entreprises de France* (MEDEF), and Mr. Emmanuel JULIEN, Deputy Director of social relations Europe, on 18 October 2006; Mr. Frédéric TOUBOUL, Manager of the department of forecasting and current social events for the

Confédération Française des Travailleurs Chrétiens (CFTC), on 20 October 2006; Ms. Francine BLANCHE, Confederal Secretary for the *Confédération Générale du Travail (CGT)*, in charge of workers' rights and dignity, as well as European issues, on 24 October 2006; Mr. Claude COURTY, National Secretary of the *Confédération française de l'encadrement - Confédération générale des cadres (CFE-CGC)*, on 17 November 2006.

At the German Federal Ministry for Employment and Social Affairs,

Ms. Sophie BOISSARD met with Mr. Gerd ANDRES, Secretary of State and Mr. Wolfgang KOBERSKI, Director of International Affairs. **At the Chancellery of the Federal Republic of Germany,** Ms. Sophie BOISSARD met with Dr. Elisabeth NEIFER-PORSCH, Adviser for Social Affairs and Dr. Nikolaus MEYER-LANDRUT, Adviser for European Affairs and preparation for the German presidency of the European Union.

3. Workshops, meetings and committees

The following people contributed to this document, from the main administrative departments concerned:

Mr. Cyril COSME, Adviser (coordination of employment services and social policy), Permanent representative of France to the European Union; Ms. Raphaëlle DESCARD, Deputy chief of strategy and European coordination at the DGTPE (Directorate General for the Treasury and Economic Policy), French Ministry of Economy and Finance; Ms. Brigitte

FAVAREL, Head of the TESC sector (labour, employment, social policy, health, education, audiovisual and sport), General Secretariat for European Affairs (SGAE); Mr. Valery FRELAND, deputy to the sub-director of internal community affairs, Department for European Cooperation, French Ministry of Foreign Affairs ; Mr. Sébastien de GASQUET, Technical Adviser (Information policy on Europe, relations with the civil society, French presence in European institutions, social policy, agriculture, culture), Cabinet to the French Minister of European Affairs; Mr. François-Charles LAPREVOTE, technical adviser (commercial, economic and financial issues, internal market, industry, research), Cabinet to the French Minister of European Affairs; Ms. Agnès LECLERC, Delegate for European and International Affairs, French Ministry for Employment, Social Cohesion and Housing and Ministry of Health and Solidarity; Mr. Hubert MARTIN, Deputy Chief of Cabinet to the French Minister of Employment, Labour and Professional Integration of young people; Ms. Claire WAYSAND, Sub-Director of European Affairs, DGTPE, French Ministry of Economy and Finance.

A closed workshop on “The social dimension of the European Union: what are the prospects?” was held at the Centre d’analyse stratégique on 23 October 2006. More than 60 people participated in this meeting. Based on a discussion initiated at a previous *Centre* event, a high-level panel was able to voice not only the various national concepts of a Social Europe, but also the views of academic, political and community circles, and the viewpoints of French and European social partners.

Speakers included: Ms. Maria Helena ANDRE, Deputy Secretary General of the European Trade Union Confederation; Mr. Eric AUBRY, General Inspector of Social Affairs and General Secretary of the French Employment Orientation Council; Mr. Pierre DEFRAIGNE, Director of Eur-Ifri; Mr. Maurizio FERRERA, Professor at the University of Milan; Mr. Roger LIDDLE, Principal Adviser to the European Commission's Bureau of European Policy Advisers; Ms. Thérèse de LIEDEKERKE, Director of Social Affairs at UNICE; Mr. Philippe MILLS, Deputy General Director of the *Centre d'analyse stratégique*; Mr. Bruno PALIER, Senior Researcher at the CEVIPOF Centre for Studies on French Political Life, Sciences Po Paris; Mr. Joakim PALME, Professor of Sociology and Director of the Institute for Futures Studies; Mr. Xavier PRATSMONNE, Director at the European Commission's DG for Employment, Social Affairs and Equal Opportunities; Mr. Etienne de PONCINS, Chief of Cabinet to the French Minister of European Affairs; Mr. Proinsias de ROSSA, European Deputy, Socialist Group in European Parliament, National Delegation of Ireland; Mr. Juho SAARI, Adviser for European Affairs, Finnish Ministry of Health and Social Affairs; Mr. Christoph SCHUMACHERHILDEBRAND, Head of European Union Division at the German Ministry of Labour and Social Affairs; Mr. Loukas TSOUKALIS, Professor at the University of Athens, Special Adviser to the President of the European Commission; Mr. Daniel VAUGHAN-WHITEHEAD, Economist in charge of the ILO project on wage policies and employment conditions.

Participants included: Mr. Patrick ALLARD, Adviser to the *Centre d'analyse et de prévision* (Analysis and Forecast Centre), French Ministry of Foreign Affairs; Mr. Gerhard ALMER, Chief Adviser, German Embassy in Paris; Mr. Gerald ANGLE, First Secretary of Economic Affairs, Irish Embassy in Paris; Mr. Philippe ARONDEL, Economist and Technical Adviser to the CFTC; Ms. Claire AUBIN, General Inspector of Social Affairs, French Ministry of Labour, Social Cohesion and Housing and Ministry of Health and Solidarity; Ms. Laure BATUT, Confederal Assistant for the international and European sector, at the CGT-FO; Ms. Teresa BOMBA, study coordinator, *Notre Europe*; Mr. Patrick BOULTE, President of EAPN-France (European Anti Poverty Network), Ms. Natacha CLARAC, Consultant, Athenora Consulting; Ms. Laura DAGG and Ms. Sibel DEMIRCAN, Research Coordinators, *Fondation pour l'innovation politique*; Mr. Bertrand DEPREZ, Consultant, The Centre; Ms. Mathilde DURAND, Project Coordinator, Fondation Robert Schuman; Ms. Mireille ELBAUM, Director of Research, studies, evaluations and statistics (DREES), French Ministry of Employment, Social Cohesion and Solidarity; Ms. Brigitte FAVAREL, Head of the *TESC* sector (labour, employment, social policy, health, education, audiovisual and sport), General Secretariat for European Affairs (SGAE); Mr. Valéry FRELAND, Deputy to the Sub-Director of internal community affairs, Department for European Cooperation, French Ministry of Foreign Affairs; Mr. Philippe GARABIOL, High civil serv-

ant; Mr. Sébastien de GASQUET, Technical Adviser (Information policy on Europe, relations with civil society, French presence in European institutions, social policy, agriculture, culture), Cabinet to the French Minister of European Affairs; M. Victor GIL, Adviser for Social Affairs, Portuguese Embassy in Paris; Ms. Janine GOETSCHY, Research Coordinator at the *Institut d'études européennes* - Université Paris X; Ms. Anna Maria GIORDANO, Italian Embassy in Paris; Ms. Marie-Agnès GOUPIL, Project Coordinator, Department of Social Security, French Ministry of Health and Solidarity; Mr. Carl Michael GRANS, Adviser for Social Affairs, Swedish Embassy in Paris; Ms. Marie-Pierre HAMEL, Doctoral candidate, CEVIPOF - Sciences-Po Paris; Ms. Sylvie HEL-THELIER, Project Coordinator (European affairs), Department of research and statistics (DARES), French Ministry of Employment, Social Cohesion and Housing; Ms. Georgina HILL, Adviser for Social Affairs, British Embassy in Paris; Mr. Emmanuel JULIEN, Director of social relations Europe, for the *Mouvement des entreprises de France* (MEDEF); Mr. Guy JUQUEL, Head of Europe and International division, CGT; Ms. Anna KAPRAL, Expert adviser to the Economic Department, Polish Embassy in Paris; Ms. Maria KURIKKALA, Secretary for economic and social affairs, Finnish Embassy in Paris; Ms. Elise LAUNAY-RENCKI, "European Union" Project Coordinator at the CAP, French Ministry of Foreign Affairs; Ms. Agnès LECLERC, Delegate for European and International Affairs, French Ministry for Employment, Social Cohesion and Housing and Ministry of Health and Solidarity; Mr. Frédéric LERAIS,

Adviser to the European Commission's Bureau of European Policy Advisers (BEPA); Ms. Caroline MECHIN, Project Coordinator, Directorate General for Employment and Professional Training (DGEFP), French Ministry for Employment, Social Cohesion and Housing; Mr. Jorgen MORTENSEN, Associate Senior Research Fellow, Centre for European Policy Studies (CEPR); Ms. Françoise MURILLO, Head of the bureau of community policies, sub-department of European Affairs, French Ministry for Employment, Social Cohesion and Housing and Ministry of Health and Solidarity; Ms. Nathalie NIKITENKO, Deputy Adviser (social protection, exclusion, health and job security), Permanent representation of France to the European Union; Mr. Dominique OLIVIER, Confederal Secretary; Mr. Stéphane OUAKI, Deputy Head of Cabinet to the Commissioner Vladimir SPIDLA; Ms. Paula PARVIAINEN, Adviser for Economic and Community Affairs, Finnish Embassy in Paris; Mr. Alain REGNIER, Adviser for social cohesion, equal opportunities, combating exclusion, and housing, Cabinet to the French Prime Minister; Ms. Katerina RÜDIGER, Expert, European Policy Centre; Mr. Hugo de SOUSA, Head of economic and social policy, European Socialist Party; Mr. Bart VANHERCKE, Head of Research, *Observatoire social européen* (OSE); Mr. Lutz-Ruediger VOGT, Adviser for social affairs, German Embassy in Paris; Ms. Marie WIERINK, Project Coordinator, DREES, French Ministry for Employment, Social Cohesion and Housing and Ministry of Health and Solidarity.

An intermediate version of the working document from this workshop was **presented to French social partners on 27 October 2006, at a meeting of the Comité du dialogue social sur les questions européennes et internationales (CDSEI)**, chaired by the French Minister for Employment, Labour and Professional Integration of young people, Mr. Gérard LARCHER.

An amended version of the intermediate report was discussed during a **consultation with French social partners, organised by the French Ministry for European Affairs²⁴ on 21 November 2006.**

Appendix 2. Legal foundations of the European social dimension

Please see the French version.

24 - The French union organisations are regularly consulted, on the basis of Memorandum 5122/SG dated 19 December 2005, entitled «*Association du Parlement, des collectivités territoriales, des partenaires sociaux et de la société civile aux processus de décisions européens*» (Cooperation of Parliament, local administrations, union organisations and civil society in European decision-making processes).

