

Conclusions

We have every reason to conclude this 2001 edition of Social Developments in the European Union by looking to the future. There are a number of developments in the pipeline, whether it be concerning employment, the social dialogue, governance or more specific issues such as social exclusion, pensions and healthcare.

It should be pointed out first of all that, whereas implementation of the social component of the Lisbon strategy is being carried out according to the Open Method of Co-ordination, the **legislative instrument** has irrefutably held its ground in 2001 alongside the array of OMC instruments (definition of common objectives, plans of action, reports and evaluation). The European company and employee involvement, insolvency of the employer, information and consultation, drivers' working hours... It cannot be said that Social Europe is turning into a "soft" Europe. This – at least for the time being – belies the pessimistic thesis which considers the OMC to be a substitute for legislation. Two aspects should however be stressed. The first is that most of the proposals adopted derive from the social programme of 1989, and that when reading the 2000-2005 Social Agenda one realises how few fresh legislative proposals are on the table. The second aspect has to do with the weakness of the present configuration of institutions. The Commission, faced with breakdowns in the European social dialogue, seems to be having difficulty in taking over and acting as a driving-force. It is dragging its feet on two matters in particular: temporary agency work and revision of the "Works Councils" Directive. This lack of momentum, while at the same time the **social dialogue** is stalled because of the employers' refusal to negotiate, highlights the

shortcomings of the Maastricht Social Agreement. Will the forthcoming Intergovernmental Conference be able to make up for these shortcomings? Will the social partners manage to breathe new life into their work? These questions should begin to be answered during the year 2002. Several important subjects are to be tackled in the field of the social dialogue: the anticipation and management of industrial restructuring, the voluntary agreement on teleworking, and a new Commission strategy on health and safety. It will likewise be worth keeping a close eye on the stepping-up of participation by the social partners in the Open Method of Co-ordination, further reflections about corporate social accountability and – last but not least – the social partners' contribution to the forthcoming Intergovernmental Conference in 2004. We would moreover point out that the Commission has announced its intention to present a Communication on the social dialogue.

The main developments lying ahead on the legislative front are the proposal for a directive on temporary agency work and amendment of the directive on European Works Councils. Further, three initiatives are likely to stand out in 2002 as far as gender equality is concerned. These are a proposal for a directive (under Article 13 of the EC Treaty) aimed at combating sex discrimination in fields other than work and employment; improved reconciliation of working and family life in the context of the European Employment Strategy; and a programme of action in the field of parental leave. As can be seen, the agenda is a heavy one.

With regard to the European **Employment** Strategy, 2002 will see the first real test of its credibility. The economic slowdown, and with it the risk of a resurgence in unemployment, is bringing to an end a period when economic growth was such that co-ordinated European action could take credit for a certain amount of job creation. Will the European Employment Strategy prove to be equally dynamic and proactive in this new context? The EES is still developing patchily at present: a good deal of attention has been paid to the first pillar, "employability", to the detriment of the others. The decision to place employment and the Broad Economic Policy Guidelines side by side

would appear to be a rational one. A sizeable challenge will however confront the Ministers of Social Affairs, who will have to square up to their Finance colleagues on unequal terms. Nor will it be possible to ignore the processes launched in other social spheres (pensions, exclusion etc.); the question of how to achieve coherence between all these different processes is bound to arise. Whereas employment seems likely to be dominated by the Broad Economic Policy Guidelines, social exclusion in turn looks likely to be dominated by employment. So the question that arises is this: how can the autonomy and specific features of each process be ensured, while at the same time increasing overall coherence? Evaluation of the first five years of implementation of the Luxembourg process will result, in 2002, in a Communication on which the European Commission will base itself when preparing the new “employment package”. The place and role of the social partners will be an important point in this context.

Turning to the **macro-economic dialogue**, the dream of the former German Finance Minister, Oskar Lafontaine, has not come true; the neo-Keynesians have not triumphed. All that seems to count nowadays is monetary stability and structural reform. Economic governance within the euro zone is minimal. And the macro-economic dialogue, far from having been converted into an economic government, serves merely to assist in implementing the Broad Economic Policy Guidelines. Nonetheless, from the point of view of the Lisbon strategy, this is the only forum which could meet the challenge of achieving overall policy coherence. It is furthermore a forum where the role of the social partners should be consolidated and stepped up. More and more questions are however being asked about the appropriateness of Europe’s economic and monetary policy. Without doubt, the real issue is not about tinkering at the edges of the liberal, monetarist policies which have been pursued for the past decade or so, but about finding a genuine alternative economic policy. That is clearly still a long way off, but it does seem to us that the debate is resurfacing.

As concerns **pensions**, the process is only just beginning. The Member States are to submit their first national plans in September 2002, after which the Council and the Commission will draw up a joint report for

the 2003 spring European Council. Lastly, before the end of 2004, they will evaluate the objectives and the working method, and will decide how to follow up this co-ordination. Now that the objectives have been laid down, the main task is to devise common indicators. Systems are evolving so rapidly that the scale of this task cannot be underestimated. But, as we have seen, pensions reform is a highly political matter. No doubt a comparison of the different protagonists and approaches (most notably Ecofin and Social Affairs) will reveal in 2002 whether this method is capable of achieving results in such a conflict-prone area, or whether it is necessary to begin by depoliticising the issues at stake before envisaging any real momentum at European level.

When it comes to combating **social exclusion** and poverty, how could we fail to rejoice at the significant headway represented by the launch of an Open Method of Co-ordination? We would however also point out that the initiation of this OMC by no means meets all the requirements inherent in the long-term eradication of, or at least a sharp reduction in, poverty and social exclusion within the European Union. For example, what financial commitment should the Member States be making to this action? What roles should be played by regional and local authorities in this process? What links should be established with the European Employment Strategy? These initial moves should be taken for what they are: the point of departure in a lengthy process which must be made to grow in effectiveness over time without running out of steam – all the more so, since EU enlargement means that in all probability problems of poverty and social exclusion will grow in future. In this area, 2002 should be the year when the process put in place is consolidated and the accompanying programme of action launched. Will the Fifteen succeed in setting themselves specific long-term objectives based on the report on social inclusion indicators?

Healthcare is a very sensitive area of European social policy, within which the **case law of the Court of Justice** is playing an increasingly crucial role. Several rulings placed the issue of cross-border healthcare at the heart of European debate in 2001. A large number of questions have not been answered as yet, and the ECJ has done more to trigger political debate than it has to settle matters. It will therefore be

interesting to monitor the Court's activity in this field in the short and medium term, and it will be especially useful to discover how the Community's supreme legal body resolves two cases still pending before it: the Müller Fauré and the Van Riet cases.

Finally, with a view to enlargement, the Commission is planning to intensify co-operation with the applicant countries in the social arena. A summary report in 2003 is to take stock of progress made in terms of social affairs and employment. Gradual involvement of the applicants in the Open Method of Co-ordination in the fields of employment and inclusion ought to feature as of now among the priorities for the pre-accession strategy. But let us not delude ourselves: enlargement will send shock-waves whose full extent cannot yet be calculated. How can we fail to lament the fact that this debate has still not taken place?

Even once all these developments are set within the context of the Convention and institutional reform, there will be no escaping a fundamental political debate about Europe: its characteristics, its goals, the appropriateness of its policies and working methods. In this sense the period 2002-2004 will be a turning-point leading Europe into pastures new. The work of the Convention, the forthcoming elections, the Intergovernmental Conference and the next enlargements: all of these elements will serve to reshape the building of Europe. It will be for all concerned to ensure that this reshaping exercise will help to address the numerous social challenges.