Introduction

Survival of European integration threatened by growing divergence

Rereading today what the political leaders said in the immediate wake of the economic and social crisis in 2008, you could be forgiven for thinking you were dreaming. The priority, once the crisis had hit, was, according to French President Sarkozy (2008), to rebuild capitalism 'on new foundations' because 'the notion that markets always know best was quite insane'. It was necessary, claimed Commission President Barroso (2008), to support the economy by 'making maximum use of the flexibility offered by the stability and growth pact'. Above all, he argued, it was essential to avoid all risk of recession and, to that end, to boost demand, in particular in those countries that 'had room for manoeuvre' and which 'should use it'. The priority according to US Republican presidential candidate McCain (2008) was to fight against the excesses of the market including 'carelessness, corruption and unbridled greed'. Barroso was of the same opinion: 'no financial institution', he said, 'should remain exempt from regulation or supervision' because it was time for 'transparency, cross-border supervision, and reform of the international financial institutions'.

Now, in 2013, every day continues to deliver its new stock of revelations about the malpractices of the financial industry – abuse of the market, manipulation of stock exchange indexes, tax evasion, and so forth – while this same industry is exerting intense pressure on the legislature to block or to water down any attempt at regulation (liquidity ratio, transparency, financial transactions tax, a ceiling on dividends). The political discourse, meanwhile, has completely changed its tack. It is now a question, says the European Commission (2013), of 'restoring trust in the markets' and, according to internal market Commissioner Michel Barnier (2012), of encouraging the capacity of banks to finance the economy, regaining investor credibility and 'ensuring the financial viability of banks' thanks to recapitalization amounting to hundreds of billions of euros. As to the member state governments, they are urged by the European Council (2013) to speed up the process of 'adjustment' and embark on 'structural reform' of pension, wage formation, unemployment and health care systems', because, says European Central Bank President Mario Draghi (2012), the current European social model is 'obsolete'. Thanks to these reforms, governments will be able, says the Council (2013), to 'improve financing conditions for investors' and 'encourage the entry and efficient use of capital'.

It would seem that we have moved, in the space of four years, from a financial capitalism judged non-compliant with the demands of democracy to a democracy judged non-compliant with the demands of the financial markets. Economic governance and social models are to be tailored, from now on, to investors' needs. The solutions to a situation that was diagnosed – and correctly so – as a crisis of the banking and financial sector are today linked less to altering the operation of this sector than to an adaptation of the economy, public finances and social models to the financiers' injunctions: to reduce public expenditure, to freeze or reduce wages, to lighten the 'burden' represented by social security, to get rid of labour market 'rigidities', and so forth.

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The aim of this publication is not to explain the reasons underlying and the instruments used to effect the paradigm shift that has just been described but to conduct a detailed examination of the situation that represents its outcome, in 2013, in terms of social impact. In the run-up to such an examination, it appears useful, nonetheless, to remind readers, by way of introduction, that it is political choices that have led the European Union into the situation in which it finds itself. This is a situation characterized, in the first instance, by increased inequality and, at the same time, by a weakening of the institutions and structural instruments that have been devised and put in place by the member states, mainly since World War II, to reduce this inequality (see the 2012 edition of *Benchmarking Working Europe*) (ETUC and ETUI 2012); and, in the second instance, by a path of divergence, which is the logical and ongoing consequence of the growth in inequality. The divergence affects, as shown by this publication, not only the countries of the European Union (Germany, Greece or Portugal, for example) and its different areas (eurozone core, eurozone periphery, non-eurozone countries, etc.) but also the situation of specific social categories (young people, women, migrants, elderly workers) and the stance able to be adopted by the social partners (depending on whether or not the country is subject to an adjustment programme).

Austerity, recession, an increase in socio-economic divergence and non-negotiated structural reforms are the ingredients that produce the various currently emerging forms of anti-European populism. While trust in the EU has plummeted in public opinion (from 57% in 2007 to 33% at the end of 2012)(Eurobarometer 2012), while increasing numbers of Europeans thus clearly believe that they have nothing to gain from EU membership, euroscepticism is becoming stronger and is gaining ground almost everywhere. While such scepticism undoubtedly represents a perfectly legitimate opinion in a democracy, it starts to become problematic when it is accompanied by a discourse expressive of hatred for 'other' Europeans. While it surely goes without saying that these forms of neo-populism are to be vigorously combated, it is necessary, at the same time, to point to the blindness of a large majority of leaders who allow themselves to be seduced by misguided discourse about the benefits of generalized austerity, the urgency of 'structural reforms' and the presentation as an indispensable prerequisite for growth of the need for national democracies to become compliant with the markets. Such blindness, what is more, goes hand in hand with a loss of memory about the political purpose underlying the pursuit of European integration in the first place.

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The rest of this introductory chapter is structured around the following sequence of observations:
- generalized austerity fuels recession;
- recession and structural reforms exacerbate social and economic divergence;
- such divergence fuels an acute sense of social injustice among the increasingly numerous 'collateral' victims of the crisis (young job-seekers, workers who have lost their jobs, retired persons lacking adequate resources, etc.);
- no project intended to foster European unity, that is founded on such feelings, can prove enduring.

We will close this introduction by recalling the purpose of European integration, which is a project for socio-economic *con*vergence and not competitive *di*vergence. Such convergence is the outcome of political will and effort and not a mechanical consequence of the fable about 'market forces'. This distinction should be sufficient to indicate the weight of responsibility currently on the shoulders of European political leaders. And also to indicate how vital it is to remedy the democratic deficit that is becoming increasingly entrenched in the new European economic governance.

1. Austerity fuels recession

The discourse concerning the need for austerity bases its main argument on the supposedly lax budgetary stance adopted by European governments and the apparent inability of democracies to cope with the problems of excessive public debt. This discourse takes inspiration also from the analogy between managing a household and managing a state: we should not be 'making our children pay the price' of the debts contracted by 'irresponsible leaders' but should behave, on the contrary, as 'responsible heads of household' (but is anyone in Europe actually calling for an increase in the deficits and indebtedness of states?). The analogy is, however, a sophism, for a household, unlike a state, comes into being for a period that is, in the nature of things, essentially limited, and this factor entails differences in behaviour in terms of, in particular, savings and investment. The sophism thus presents as a matter of basic common sense an argument that is, in actual fact, ideological.

The discourse about budgetary laxness suffers from at least two diagnostic errors, the first being in the area of political diagnosis. In 2007, i.e. the year before the financial crisis erupted, only two eurozone countries, namely, Greece and Portugal, were guilty of infringing the rules of the stability and growth pact in relation to public deficits. If we adhere then to the argument about budgetary laxness, what can be the logic of drawing from it the general policy conclusion that there is a need to introduce austerity programmes throughout Europe, including in countries like Spain and Ireland that were star pupils of the stability and growth pact? Why is it, what is more, that this argument was not brought into play in the early days of economic and monetary Union when Germany was itself in a state of chronic and excessive deficit for a period of five years (from 2001 to 2005)?

The second error relates to the economic diagnosis: the budgetary question emerged, so it is claimed, on account of 'extreme indebtedness frequently accumulated over many years' according to German chancellor Angela Merkel (Le Monde *et al.* 2012). According to Paul De Grauwe of the London School of Economics 'it has been claimed that, in the absence of external controls, the national budget debts and deficits could no longer be kept under control. What we see in actual fact is that during the last half century, when the stability and growth pact did not even exist, there were no cases of major government debt crisis. Democracies are capable of reacting against increasing indebtedness' (OFCE 2006). Is it really appropriate to speak, moreover, of extreme indebtedness when the public debt of the eurozone, immediately before the financial crisis, amounted to around 66% of gross domestic product? The level of indebtedness was, in actual fact, to become unsustainable only when it became necessary to socialize the debts of private banks. Paul Krugman (2010), economics Nobel Prizewinner, has quite correctly pointed out that the European governments were not overspending before the crisis but that they found it necessary to get into debt in order to rescue their banks and prevent economic collapse. As has also been stated by Martin Wolf (2011), 'what is at the origin of this crisis is not lack of budgetary discipline. The lack of discipline of the financial sector, and, more generally, of the private sector, including lenders from the eurozone core, played an even more important role'.

The argument based on the claim of European budgetary laxness does not therefore stand up to analysis. Yet his argument underpins the whole approach adopted for forging the instruments of the new European economic governance (Degryse 2012). Meanwhile, the regulation of the financial sector is being devised and put in place at a veritable snail's pace and is becoming less ambitious by the day under pressure from the banking lobby. It would appear that this argument is, in actual fact, being used to conceal a fully-fledged programme to achieve deregulation of the European social model (see chapter 7). After issuing accusations of laxness, Europe is responding not with a responsible form of stringent discipline but with outright austerity, with a gruelling and strictly administered weight loss régime imposed at a pace that defies all reason and under threat of sanctions (see chapter 3). This is the beginning of an unprecedented attack on the European social model – or what remains of it – in particular in the countries currently governed by memorandum. All aspects of enlightened social governance have been brought under this stringency regime: wages, collective bargaining, unemployment benefits, health care and even fundamental social rights.

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In spite of numerous warnings, the elite that governs Europe still refuses to see that this enterprise of dismantling the social model has the conjoined effect of placing a long-term brake on growth, principally on account of the inevitable collapse in domestic demand (see chapter 2). Between 2008 and 2013, Greece experienced six years of recession, Italy, Spain and Portugal four, and Ireland three, in spite of the tax competitiveness practices that make it the European bridgehead of the North American multinationals. As numerous political leaders have indeed pointed out, the European institutions did not themselves cause the crisis. However, the situation into which the economy of the Old Continent was plunged by financial capitalism has only been exacerbated by their obsession with austerity.

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Today, there is a growing consensus among economists and within international organisations that the concerted imposition of austerity plans at an utterly unsustainable pace resulted in a recession that is much more extreme than was predicted by the economic models (Blanchard *et al.* 2013). These recessionary effects have aggravated, rather than remedying, the public debt crisis, on account of the denominator effect – when GDP diminishes, the debt as a percentage of GDP increases arithmetically – and this will continue to be the case in the eurozone until at least 2014, according to the Commission's latest forecasts (European Commission 2013).

The losses then are particularly heavy and the balance sheet still shows a deficit: the public debt crisis has not been remedied; the economic crisis is worsening; the social model is being dismantled; unemployment has exploded; a whole generation is 'lost'. According to a study by the European Foundation for the Improvement of Living and Working Conditions (Eurofound 2012), the cost to the member states of this lost generation, which represents 14 million 'neets' (young persons not in employment, education or training), is likely to amount to some 153 billion euros a year (The Guardian 2012). Yet the markets, declare the Commission, the ECB and the European Council with some self-satisfaction, are regaining confidence. What clearer statement can there be than this that Europe is seeking its salvation by adjusting its economic and social governance to the demands of investors?

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2. Recession and adjustment policies exacerbate the divergence

As is demonstrated in detail in this 2013 edition of *Benchmarking Working Europe*, the result of the crisis and of the policies implemented over almost four years is ever growing divergence among member states, specific categories of the population and national social actors.

In the Nordic countries, which were less deeply affected by the crisis, wages and collective bargaining systems have remained relatively stable, though it has indeed been possible to observe a trend towards decentralization of collective bargaining and changes in labour law that do not appear justified by any specific problem that has arisen in these countries (see chapter 7). In the new member states, trends have been particularly uneven. In some countries, such as Poland or Bulgaria, wages have risen – or it might perhaps be more exact to say that they have just begun to catch up, given how very low they were to start with. In other countries, such as Lithuania or Estonia, they have, on the contrary, fallen steeply. All in all, however, in these 'new' member states taken as a group, the crisis served as the pretext for an increase in labour market flexibility and non-standard working practices and for the option of retaining extremely fragmented and decentralized collective bargaining systems.

Another group of countries is of course those currently subject to adjustment programmes – namely, Greece, Ireland, Portugal, Romania – together with Spain and Italy. It is in these countries that attacks on collective bargaining systems have been the most virulent, whether inflicted by national governments or directly by European institutions. Direct political interventions have led to a generalized reduction in wages, a dismantling of collective bargaining and wage formation institutions (with the apparent exception, as regards the latter point, of Italy).

These developments have served, in particular, to lead the countries of the south to converge – but it is a case here of *downward* convergence – with the countries of central and eastern Europe in terms of income, collective bargaining systems and social cohesion. The result is a proliferation of new fault lines between old and new member states, between countries of the south and countries of the east, between the eurozone core and its periphery, between lending countries and borrowing countries, etc.

The divergence that appears the most clearly, however, is that between the heart of the eurozone and this periphery, consisting of the countries of southern and eastern Europe, that is described by some observers as becoming increasingly 'Chinese'. What is more, in certain companies located in the rich eurozone heartland, the most shocking and shameful social practices are to be found. Romanian and Bulgarian workers have been 'detached', are paid extremely low wages, subjected to very long working hours, accommodated in barracks, and deprived of social insurance (in March 2013 one such case was the subject of a complaint against Germany lodged by the Belgian government with the European Commission). European competitiveness is accordingly being sought henceforth less in innovation, research and development (ETUC and ETUI 2012: 70-82) than in the reduction of wages, deregulation of the labour market, lowering of collective standards, deregulation of social protection systems, and weakening of trade unions and social institutions. All of this constitutes an operation, unprecedented in the history of the EU, designed to undermine workers and the organisations that represent them.

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In the countries subject to 'adjustment programmes' the internal devaluation policies are based on the wager that it will be possible to relaunch growth by means of exports. The reason that this constitutes a wager is that the domestic conditions for such a relaunch are not always present. To date, the main result of these policies is the collapse of domestic demand which still has not been able, four years later, to offset the weak and uneven growth in exports. It may indeed be true that a wager of this kind might, with perseverance, be won in the long term. But it would, in this case, be nothing but a Pyrrhic victory accomplished upon a field of social and democratic ruins. The implementation of such a policy indeed reveals a divorce between the elites, who are convinced that priority must be given to gaining the confidence of markets, and the citizens and workers. The Frankfurt-Brussels consensus seems perfectly blind to any consideration of the democratic and social sustainability of the recipes it is advocating and enforcing.

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The extent to which citizens feel the pull of this process of divergence depends on the social categories to which they belong. At the level of the labour market, three broad categories have been the most harshly affected, namely, youth, migrants, and the low-skilled (see chapter 4). It is to be noted, first of all, that during the period before the crisis the labour market experienced a slow but steady rising trend in employment rates, in accordance with the Lisbon Strategy targets. This trend was attributable, in particular, to the increase in non-standard forms of employment, including part-time work (which, in far too many cases, is involuntary rather than chosen), fixed-term contracts, or self-employment. Even so, this rising trend had, to some extent, contributed to a gradual reduction in long-term unemployment and youth unemployment.

The financial crisis did away with this trend and created, for young people in particular, a situation that was even worse than before. The year 2008 marked the beginning of a period of strong growth in unemployment, but also in inequality. At the present time, no less than 23% of European citizens are at risk of poverty or social exclusion (Eurostat 2012).

Since 2008 unemployment has risen in all EU countries except Germany and Luxembourg. In 2012 rates varied between approximately 4% in Luxembourg and Austria to 24% or more in Greece and Spain. This increase has taken the worst toll on young people, migrants and the low-skilled. Young persons aged 15-24 have an unemployment rate of more than 21% in the EU as a whole, but very much higher in individual countries like Greece (55%) or Spain (54%). When young persons do have a job, it is, more often than not, temporary. Among non-European migrant workers, meanwhile, the unemployment rate rose by 7.3% between 2008 and 2012.

Long-term unemployment has also begun to rise again: between 2008 and 2011, almost 4.7 million persons came to lengthen the list of long-term unemployed, bringing the European total up to almost 11 million persons, the equivalent of the whole population of Belgium. When one becomes aware of the extent of the social challenges posed by long-term unemployment, then one also realizes the tremendous difficulties that will be faced in the coming years by European governments in dealing with this problem. In this respect too, needless to say, the paths observed in different countries and groups of countries are highly divergent.

There has been a strong increase in involuntary part-time work since 2008 in Greece where, in 2012, 61% of part-timers did not choose this status, an increase of 16 percentage points; in Spain the equivalent figure is now 55%, a 20-point increase; in Italy 54%, a 13-point increase; in Ireland 38%, a 25-point increase; in Bulgaria 58%, a 7-point increase. The percentage is rising in many other countries too, whereas in Luxembourg, Austria, Belgium, Germany and France it remained stable or, in some cases, fell. It is better, similarly, to be a female job-seeker in Lithuania, Finland, Sweden or Denmark than in Malta, Italy or Greece where the difference between the male and the female employment rates is as high as 20%.

Of course, say the European institutions, Europe will, in due course, reach the end of this recessionary stage in its economic cycle and will, thanks to recovery, once again experience a few percentage points of growth. There is, alas, little chance that the new cohort of long-term unemployed will benefit from any such recovery, and the same goes for the young people and the large numbers of emigrants – often skilled – who have decided to turn their backs on Europe and try their luck elsewhere (the Portuguese mainly in Brazil or Angola, the Greeks in the United States or Australia, the Irish in Canada, New Zealand or Australia, the Spanish in South America, Germany or Sweden (The Guardian 2011, Le Monde 2012a, Le Monde 2012b), as well as for all those low-skilled or elderly workers who have lost their jobs during one of the numerous waves of restructuring in the steel, motor or finance industries, etc. A high degree of callousness is accordingly required to take satisfaction from the idea that the economy will react with a time lag to the policy measures taken today (European Council 2013), in full knowledge that the groups currently most affected by the fall-out of the crisis would undoubtedly not be those to benefit should the economy indeed pick up at some point in the future.

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It is thus that the recession has exacerbated social fragmentation in Europe by causing an increase in unemployment among migrants, the low-skilled, and women, as well as an explosion in the numbers of young people who are neither working, being educated or undergoing training, and a steep rise in the incidence of long-term unemployment. All this will entail a high cost in terms, in particular, of policies to counter poverty and social exclusion, of a slowing of demographic growth, as well as pressure on retirement pension levels and an increase in social unrest. Meanwhile, the process whereby the new member states were slowly catching up and the Mediterranean countries converging with northern Europe has come to grief on the crisis, the immediate effects of which have been exacerbated by the adjustment programmes and austerity measures. The Manifesto drawn up by a network of academic trade union rights' experts at the beginning of 2013, supported by the ETUI and signed by more than 500 European labour and social lawyers, is a denunciation of the fact that fundamental social rights have, de facto, been used as an adjustment variable for macroeconomic imbalances, in particular in the eurozone periphery. The political leaders have adopted measures to foster labour market flexibility; they have made changes to national labour law and embarked upon fundamental reforms of social law; they have adopted structural reforms in the fields of pensions, health care, and unemployment, including by circumventing the mechanisms for consultative participation with the social partners, in particular the trade unions. This is a situation that leads the labour lawyers to the following conclusion:

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> 'The present European Commission, together with the Troika, is currently failing to respect the basic elements of the European Social Model and the spirit of the Philadelphia declaration. Accordingly, the social model is suffering – in virtual silence – its complete deconstruction, and ultimately, perhaps, its destruction. If the European social model fails, how can the European project as a whole succeed?, (ETUI 2013).

3. Divergence and structural reforms fuel social injustice

In a globalized world constructed in particular to facilitate the free movement of capital, it has become more difficult to achieve an increase in revenue than to reduce expenditure. The EU governments have all made available some particular form of tax incentive designed to attract investors: in some cases, corporation tax rates have been lowered, while in others capital gains tax has been abolished; other formulae involve the proliferation of tax loopholes, absence of inheritance tax, existence of banking secrecy, or the condoning of numerous tax havens specializing in money laundering. Because they have lacked the political courage to construct a transparent and equitable 'tax Europe', the European leaders have placed themselves in a situation characterized by rivalry to attract multinationals and investors and have, in so doing, taken the requisite steps to tailor the situation to their demands. It does seem that some leaders are now finally beginning to wake up to this situation, and not always those of whom one might have expected it: Mr David Cameron's Conservative government in the United Kingdom has become concerned at the excessively low rates of tax paid by the multinationals operating on UK territory. Even in Switzerland, questions are being raised about the extent of the pay gap between top executives and workforces.

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In the face of this situation, meanwhile, the many instances of trade union mobilisation, strikes, and social action, the movement of the *Indignados*, and the particularly tragic phenomenon constituted by the suicides of unemployed and socially desperate persons (BMJ 2012; Eures 2012) represent numerous indications that the European Union has forfeited the support of its citizens. Nor is this because its peoples are facing adversity, for History provides ample testimony that these same peoples possess the resilience to overcome periods of intense suffering and hardship. What is much harder to overcome, by contrast, is a sense of social injustice, in particular in a context in which the future seems to hold out no promise or possibility of improvement.

Is it not perfectly evident that this feeling is today spreading through Europe like wildfire? What people experience as injustice is not the need to reduce their standard of living during a period of crisis; the feeling stems rather from an awareness that the harshest measures are hitting the most vulnerable sectors of the population and that the political and economic elites are managing to remain outside the structures that organize solidarity, thereby undermining its effectiveness where it is brought into play. The feeling of injustice stems also from the apparent powerlessness of democracies to find any effective means of opposing the unbearable increase of inequality in its many forms: precarious jobs and unemployment for low-skilled workers of both sexes and an explosion of pay increases and bonuses for the financiers who cream off all the wealth and for the captains of globalized industry who, in their own best interests, scrap local jobs and employment opportunities.

The recent debates, particularly in the United States, but also in Europe, concerning the ‘richest one per cent’ of the population are evidence of the rise of this intense feeling of injustice in western societies. The discussions aimed at limiting pay and bonuses in the financial industry are part of the same phenomenon, as are those on subjects such as tax evasion and fraud, money laundering, tax optimization by multinationals, financial speculation, manipulation of stock exchange indexes, enrichment without creation of wealth, etc. These are just some of the subjects dealt with by the countless commissions of enquiry set up and parliamentary reports drafted to elucidate the causes of the financial crisis and highlight the practices of this industry (in addition to the current enquiry on the manipulation of LIBOR, see, among others, SIC 2010; FCIC 2011; FSA 2011a; FSA 2011b; Sénat 2012). No political project is able to withstand the rise of such a feeling of social injustice.

4. Social injustice exacerbates anti-European populism

The last sequence in this austerity-recession-divergence-social injustice chain development is the way it translates into politics. Over the last two years of crisis general elections have been held in no less than 17 EU member states. In the majority of cases the outcome was an ousting of the previous government by the electorate whose votes brought an opposition party to power (Ireland, Portugal, Denmark, Spain, Slovenia, France, Lithuania, Malta). Yet in some cases the elections gave rise to the emergence of more worrying developments, whether in the form of historically low turnout rates, as in Cyprus (even though voting in that country is compulsory), in Poland or in Portugal, or of the rise of extreme political groups with radical, nationalist or populist leanings, as in Finland, Greece, Latvia or Romania (see inter alia Bartlett *et al.* 2011).

Discourse opposed to the European Union currently has the wind in its sails, whether in the countries subject to adjustment via 'injunctions from Brussels' or in the 'virtuous' countries which express their resentment at the 'profiteers from the south'. It is thus that the newly developing form of convergence may be said to be populism, a political trend that betrays growing criticism of 'the others' and recriminations against 'outsiders'. How is Europe to be constructed on such a basis?

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This last sequence of the chain represents an additional scourge in an increasingly divergent Europe where the tensions between peoples are growing, and where the most highly skilled citizens and workers are tempted to seek their future elsewhere. This is a Europe that has witnessed, until now in silence, the development of different categories of member state: the first class members, who are the rich lending and exporting nations of the eurozone, and the ragamuffins who form the eurozone's second class and who have become obliged to follow the orders of their betters; then there are also the members belonging to the third category who are sitting out there in the euro waiting room and no longer have much say with regard to the current direction of European integration. Not to mention those states which are making it more or less clear that they want nothing more to do with the EU.

The lost awareness of a shared destiny and the destruction of solidarity among peoples could well bring the European project to grief. This observation is the measure of the responsibility borne by the European institutions. Destruction requires much less time than construction. In the absence of a qualitative political leap, this project will lose the support of NGOs and trade unions. The ideal to which these social forces chose to adhere is that of a European Union set up to forge progress and growing equality by means of investment, solidarity, and sustainable development policies. Convergence via the market was, on the other hand, what the architects of the euro believed in but we see only too well today the extent to which market forces, left uncurbed, serve to unleash and continue to fuel this downward spiral of divergence.

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The European Union must, as of now, set to work on re-establishing convergence by devising and introducing structural investment programmes designed to prepare the low-carbon economy of tomorrow (see chapter 6); and by the provision of aid to strengthen the economic and industrial structures of the peripheral countries, so as to allow them to specialize in specific sectors and niche markets and to make their economic structures more resilient to shocks and less dependent on direct foreign investment.

It must not be forgotten that one of the purposes of the EU is to promote economic, social and territorial cohesion and solidarity among the member states (articles 3TEU and 174 TFEU). The European Union and its member states must strengthen and not dismantle the social dimension of the European project and should remember that

> 'The Union and the member states, having in mind fundamental social rights such as those set out in the European Social Charter signed at Turin on 18 October 1961 and in the 1989 Community Charter of the Fundamental Social Rights of Workers, shall have as their objectives the promotion of employment, improved living and working conditions, so as to make possible their harmonisation while the improvement is being maintained, proper social protection, dialogue between management and labour, the development of human resources with a view to lasting high employment and the combating of exclusion' (Article 151 of the TFEU).

Active adherence to these objectives is the price of the continuing support of citizens and workers for the European project.