

# The Fifteenth Countess Markievicz Memorial Lecture

The Process of European Integration  
as a Challenge for the European  
Trade Union Confederation

Herr Ernst Breit

**The Countess Markievicz  
Memorial Lecture Series**

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The Process of European Integration as a  
Challenge for the European Trade  
Union Confederation

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# The Fifteenth Countess Markievicz Memorial Lecture

The Process of European Integration as a Challenge for the European Trade  
Union Confederation

**HERR ERNST BREIT**

President, European Trade Union Confederation

The Countess Markievicz Memorial Lecture has been established by the Irish Association for Industrial Relations with the support of the Department of Labour. Countess Markievicz was appointed Minister for Labour in the Executive of the first Dáil Eireann in 1919. The object of the Memorial Lecture is to provide an occasion for a substantive contribution to discussion in the industrial relations area by a distinguished practitioner or academic.

The fifteenth lecture was given by Herr Ernst Breit, at the Royal College of Surgeons, Dublin, on 13 November 1990.

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**Address by Ernst Breit to the Irish Association for Industrial Relations in the Royal College of Surgeons, Dublin, on 13 November 1990.**

Ladies and gentlemen, it is an honour for me to be able to address members of the Irish Association for Industrial Relations and representatives of the European Foundation for the Improvement of Living and Working Conditions this evening. I would like to put to you some of the European Trade Union Confederation's thoughts on European development and, of course, to comment in this context on developments in my own country.

We are living at a time when events are occurring at high speed and internationalisation is growing. If I had had to speak on this subject a year ago, there would have been no need for me to dwell on the implications of these trends for the future of Europe in the first part of my address.

The GDR's accession to the Federal Republic on 3 October 1990 and the German unity that resulted will fundamentally change the relationship between states in Europe.

There are many links between the process of German unity, (which did not end but began on 3 October) and the process of European integration.

The democracy movement in the GDR would not have been possible without the Soviet Union's reform policy and its renouncement of hegemony over Eastern Europe.

What must not be forgotten in this context is the role played by Poland, Hungary and Czechoslovakia. The democracy movement in the GDR was based on Poland's Solidarnosc.

I might add at this juncture, ladies and gentlemen, that the months of debate on the binding nature of the frontier between Poland and Germany in international law caused many of our neighbours to feel confused and suspicious. Nor was it a particularly happy coincidence that on the very anniversary of Germany's invasion of Poland, 1 September of this year, major restrictions were imposed on Polish citizens wanting to visit Berlin. The shaping of the relationship between Germany and Poland is a key to a peaceful order in Europe. Everyone -including the trade unions - must continue to work on this.

Above all, we must not ignore this political task by arguing that we have more important things to do now. The resolution of the German question is closely linked to the resolution of the Polish question. And the failure of Gorbachev's policy could mark the beginning of destabilisation in Europe. That too will pose problems for the German policy.

These are not the only aspects to demonstrate the inherent link between developments in Germany and Europe.

If the countries of the European Community had not reached their present level of integration and if the enlarged Federal Republic did not form an irrevocable and integral part of the Community, the unity of Germans in one state would have been conceivable, but hardly feasible.

The Federal Government's decision to limit armed forces to 370,000 troops in the future and Foreign Minister Genscher's announcement that the Federal Republic will not produce or hold nuclear and chemical weapons are important signals to the rest of the world. They are the conclusions rightly drawn from the change in the relationship between the two superpowers and will be an important contribution to further efforts to overcome the status quo.

But these positive remarks must not be allowed to obscure the complexity of the problems we face. We have a major task to perform in this context: together with the people of the former GDR we must prove that an economic and social system can be restructured and democracy can be developed and consolidated under conditions of social justice and with all legitimate interests reconciled.

On an earlier occasion I said that the market economy is in itself heartless. We must fight and gain political acceptance for the social component of the market economy.

I do not think that the developments in East Germany have proved me wrong. Nor, in the end, does it help to refer to a regime that had to put the key under the mat after forty years in power and left behind a country in ruins and millions of people in uncertainty.

What is now on trial is our social and economic system with all its advantages - and all its shortcomings.

If this test is to be passed, it will not be enough to transfer market economy systems to the territory of the former GDR. This could very easily degenerate into a laboratory experiment on living people. The market economy and the welfare state must not be introduced at different speeds as German unity is shaped, since this could eventually jeopardise democracy. And this throughout Germany, with unforeseeable implications for Europe as a whole.

There is another aspect I would like to consider, ladies and gentlemen, one which I am sure is particularly important for future developments in Europe: the obvious revival of nationalist tendencies in some parts of Eastern Europe and especially in the Soviet Union. While the European Community takes the undoubtedly difficult path towards integration, with national sovereign rights being progressively transferred to a supranational level, we are faced with an alarming and destabilising trend in the Soviet Union. It is clearly becoming extremely difficult to maintain a confederation of states that has existed for decades. The legacy of the Stalinist policy, pursued with the tools of repression, of creating artificial unity is now a very heavy burden on the reform policy initiated by Gorbachev, as the disintegration of the Soviet Union, the revival of nationalist movements and armed conflicts between nationalities, between majorities and minorities show. A similar trend is to be seen in the Balkans, especially in Yugoslavia. It must be in the interest of all Europeans that a convincing contribution should be made as soon as possible to overcoming one of the root causes of these neo-nationalist tendencies: a convincing contribution to the reconstruction of the economies of all these countries. Unless massive pump-priming funds are provided, there is a danger that the Soviet central government's plan to introduce the free market system in the near future will be thwarted by serious social conflicts and extreme imbalances in economic development. We cannot pretend that it is possible to press ahead with Western European integration without considering these very serious developments in Eastern Europe.

Ladies and gentlemen, we owe it primarily to the initiative

taken by the President of the Commission of the European Communities, Jacques Delors, that there has been forward movement in the process of European integration since 1985. Delors has taken the aims of the European Treaties and the parties to those Treaties literally. He has obtained approval for almost 300 laws and measures, without which a large common market cannot be constructed by the end of 1992.

Since then there has been a debate throughout Europe on the "Single Market 92", which is, I suppose, the reason why I am speaking to you today.

The European Trade Union Confederation, which was established in 1973 and comprises 39 member federations from 21 countries with 44 million members, endorses the aims of European integration. And in this it is united in all its diversity, despite occasional reports to the contrary. This is also true of the trade unions in the United Kingdom, which have abandoned their sceptical attitude towards European development since the early 1980s and are today - unlike the British Prime Minister - among the professed supporters of the Delors integration policy in the United Kingdom.

We are convinced that close cooperation and the development of supranational structures are the right answer to the history of Europe this century.

We are convinced of this, firstly, on political grounds. The history of Europe's nation states is not only a glorious history. It is heavily marked by centralism and suppression, by exclusion and disdain. To this extent, it gives no cause for particular pride.

That is why the German trade unions too have supported the aims of European integration from the outset and have never approved such limited concepts as a "Europe of nation states". We advocate a supranational Europe, an integrated Europe.

This is, however, anything but an appeal for a centralist Europe. Centralism and democracy do not go together well. What can be reasonably accomplished at the lower and middle levels must not be decided from the top. So we too are in favour of subsidiarity as a feature of political organization

Decentralisation, variety as the elixir of life for unity, pluralism and regionalization - these are the key words under which we can envisage the Europe of the future.

And finally, although it is now taken for granted, it must be constantly recalled that creating supranational structures is the best way to preserve peace. We see peace in Europe as a product of the integration achieved so far, a peace that is far more than the absence of war. Let me say this at this juncture: Peace in Europe certainly does not mean peace in the world. The deployment of weapons of all kinds in the Middle East today is having a positive effect on the trade balances of the Community countries. The European Community should do without such trade surpluses in the future if it intends to take its worldwide responsibility seriously.

The second decisive reason for the trade unions' approval of Project Europe is that they appreciate the need for close economic cooperation in a common market. Oil shocks and energy supply crises, the recurrent weakness of the dollar - the world's key currency - and the constantly growing competitiveness of the USA, Japan and the newly industrializing countries make economic integration imperative.

The scope for national policies is steadily dwindling. This is most clearly demonstrated by environment policy, which has a chance of being effective only if it is pursued across frontiers. But the same is, of course, true of almost all areas of economic and financial policy and the internationalization of the economic activity of enterprises also calls for the internationalization of government policies. Failing this, social interests, interests of the people may easily fall prey to the interests of large multinational corporations.

The third, but by no means least important reason I will give is this: economic success is a major precondition for social progress. The trade unions are aware of this, and they take it into account in their policy. The underdevelopment in some countries and regions cannot be overcome solely in a national context. Regional structural policy - the improvement of regional infrastructure,



in other words - must be coordinated at European level and co-financed by Europe. This is, of course, in the interests of the people who live in these regions but it is also in the interests of everyone else, because marketing opportunities and purchasing power are mutually dependent. Who better to know this than the Federal Republic of Germany, a major exporter.

As I have said, economic success is a major precondition for social progress. Let me add another precondition: strong trade unions capable of negotiating and taking action. Without them distribution will not be fair and no social progress will be made. And where trade unions are weak, there is no guarantee of social stability.

Our social order requires the reconciliation of interests. Reconciling conflicting interests is the outcome of social partnership and of social rivalry. This process features agreements and conflicts. It cannot be otherwise in a working democracy. And this also complies with the regulative principle of the market economy, which must be based on free competition and calls for strong and assertive trade unions, because otherwise it cannot be social.

Ladies and gentlemen, I hope I have been able to explain to you why, in principle, the trade unions in Europe endorse the aims of integration and the short-term objective of completing the single market.

But what is needed now is not approval of general aims but the formulation of practical policy. Here we have quite a number of problems, a great deal to criticize and numerous proposals and demands. I will try to confine myself to the most important aspects.

1. The White Paper on the single market refers only to arrangements relevant to the market and competition. Social aspects are not even mentioned in a footnote. The social dimension, as it is known, is missing.

In practical terms this means, for example, that the single market will encourage cross-frontier mergers and the

establishment of new groups of firms. This will shift decision-making centres in enterprises. The representation of employees' interests at the workplace, one of the cornerstones of effective social relations and to be found in different but comparable forms in all the Member States of the European Community, will still be subject to the frontiers of national legislation. The Europeanization of the structures of enterprises will thus change the situation on the employers' side without providing for anything equivalent on the employees' side. This will bring the social dialogue within enterprises to a standstill.

The result may and will be social conflicts, some of which will not stop at frontiers. What we are proposing - and this above all with an eye to the Statute of a European Company - is the establishment of a European body representing employees' interests in enterprises. For this the necessary legal foundations must be laid. Until this is done, the trade unions will try to reach agreement with the employers on such bodies. If this is not possible in a socially peaceful way, the trade unions must try to achieve their objective with the means at their disposal.

A number of important enterprises are well aware of this and are taking appropriate action; others will have to be helped to choose the right course, or it may even be necessary to force legislation through.

2. Social conditions and social standards in the Member States of the Community vary because of the differences in the historical development of the welfare state and in the economic power of the various countries.

It is not our aim to standardize the social systems. What we want in the medium term is comparable social standards and in the short term fundamental social rights in all member states of the community.

At the congress of the European Trade Union Confederation that was held in Stockholm in May 1988 we put forward numerous proposals for a charter - a charter of fundamental social rights in the European Community. We did not need to re-invent the wheel for this. Both the International Labour

Organization in Geneva and the Council of Europe in Strasbourg have passed many resolutions in the form of international conventions and a social charter, and these resolutions could be transformed into a Community charter. I will give you a number of examples of what we believe should be enshrined in these fundamental social rights:

- the unrestricted right of association;
- the right to individual contracts of employment and to collective agreements, and the right to strike;
- the right to continuing vocational training and educational leave;
- the right to minimum annual leave;
- standards for the protection of young people;
- standards for the protection of expectant and nursing mothers;
- standards for industrial medicine and health protection at the workplace.

These and other rights, we maintain, should be approved by the Heads of State or Government. By a large majority, even among the employers, the European Community's Economic and Social Committee has adopted an opinion on this subject, which has the general approval of the European Trade Union Confederation.

At their summit meeting in Strasbourg in late 1989 at the end of the French Presidency, the Heads of State or Government approved, rather in passing and as an item low on the agenda, a charter which is not in any way legally binding and is also rather short on substance.

This was not a step towards a European social dimension; it was more of an attempt, but one that failed, to shrug off, as it were, social responsibility in the process of constructing the single market. But I must add that the British Prime Minister, who insists

on confusing "social" with "socialism", is endeavouring to prevent any progress in the area of social policy by using her veto.

As all the major decisions on the establishment of the single market are taken by a majority in the Community's Council of Ministers, we expect the current intergovernmental conference will make it possible for the same procedure to apply to social issues during the negotiations on Treaty amendments. European integration is bound to suffer eventually if existing rights of veto are abused to impose unilateral blockades.

The European Trade Union Confederation believes another crucial aspect will be the manner in which the forthcoming intergovernmental conferences deal with the question of parliamentary democracy in Europe. It must be said that the European Parliament is still little more than a consultative assembly. It cannot play an active part in the shaping of European policy, its function is not legislative but rather that of a controlling body. This is undoubtedly inconsistent with the fact that the European Parliament is directly elected by the citizens of the Community every five years. Anyone who considers the options available to the European Parliament is bound to conclude that the citizens of Europe do not have much say. The rights withheld from the European Parliament by the governments of the Member States have resulted in a deficit of democracy in the European Community. The real decisions are taken by the various Councils of Ministers, less by the Commission, hardly ever by the European Parliament and never ever by the Economic and Social Committee. But unless there is convincing democratisation of the institutions in Europe, it will not be possible to shorten the distance between the citizens of the countries of the European Community and the European Community construct. Of crucial importance for the future, however, is whether or not the public are able to see that the institutions of the European Community are taking their interests and ideas into account. The general absence of a really democratic dimension in the European Community is also hampering the process of social understanding between trade unions and employers' organisations. It is not enough for Europe to be designated as

a

market: the European Community must be made into a Community of the people in such a way that the foundations are also laid for the development of genuine social relations.

Ladies and gentlemen, the Commission of the European Communities, which is not the real decision-making centre and whose opportunities for taking action are restricted by the powers of a Council of Ministers that is subject to hardly any parliamentary control, has now proposed a social action programme, which is to be approved by the end of 1992.

The two proposals that have now been submitted on working hours and what are known as atypical employment relationships are no reason for the trade unions to erupt with joy.

If implemented, the proposals concerning working hours would open the door to further night work and remove the ban on women and young people working at night. This can hardly be called "social progress".

We are particularly concerned about the number of atypical employment relationships which is steadily rising, especially among women, but also among untrained young people. We have many objections to this method of making the labour market more flexible: we object to contractual relationships which are not protected by social and industrial legislation, weaken the institutions of the welfare state because no levies have to be paid, tend to result in the downgrading of jobs and only appear to improve the unemployment statistics.

These objections concern the DM 480 employment contracts in the Federal Republic. There is room for discussion on all kinds of temporary work, but only if the principles of the welfare state are respected.

Many of the employment relationships that are now possible amount to nothing more than officially sanctioned moonlighting. Atypical employment relationships must therefore be governed by acceptable European rules. Otherwise, the absence of social protection and standards imposed by industrial law will become a factor that distorts competition. This would also be inconsistent with the inherent logic of the single market project

To conclude, ladies and gentlemen, a few words on the state of trade union cooperation in Europe.

It is doubtless no easy matter to Europeanize an enterprise. Among other things, it will need good products or services, capital and an intelligent marketing strategy. But in the final analysis a venture of this kind is predictable and feasible.

It is no easy matter at all to bring together organisations consisting of millions of members, each with its own history, traditions, sometimes even flags and songs. Turning diversity into unity is an extremely difficult venture. It requires tolerance and patience.

And yet the picture often painted of a fragmented European trade union movement does not stand up to closer inspection. On all the main issues the unions represented in the ETUC are agreed: this is as true of the 35-hour week as it is of employee participation, which was still controversial ten years ago. There will also be, I am sure, more joint campaigns by the trade unions in Europe, in the border regions, for example, but not only there.

We have not yet reached the stage where we can conclude European collective agreements. Certain objective requirements have yet to be satisfied, and there is also a lack of willingness among employers even to take part in negotiations.

Not even framework agreements between the ETUC and the umbrella organisation of European employers are yet in sight. We are prepared for such agreements, but they are not yet. We thus find ourselves in an anachronistic situation, comparable to that in the last century, when employers were not prepared to conclude contracts.

That where there is a will, there is a way is proved by a framework agreement which the ETUC concluded with the European umbrella organisation representing public enterprises on 6 September. This agreement concerns cross-frontier vocational training and continuing training for employees of the national railway companies. It is a swallow. The trade unions in Europe will be trying to make it into a Summer.