

THE RICH LEGACY OF THE WHITE PAPER ON “GROWTH, COMPETITIVENESS AND EMPLOYMENT”

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This Tribune by Jérôme Vignon is based on his opining speech during the conference “Growth, competitiveness and employment: what strategy for the EU?”, organised by Notre Europe - Jacques Delors Institute and EPPA, on 22 January 2014 in Brussels. 20 years after the publication of the white paper on “Growth, competitiveness and employment”, J. Vignon presents the circumstances that spawned the white paper and its main elements before assessing the paper.

Faithful to the tradition whereby every major document put together by the European Commission has a number that is easy to remember, the “communication” on a white paper entitled “Growth, Competitiveness and Employment”, dated 5 December 1993, is known as COM(700). Although the title might sound conventional, the subtitle hints at a broader ambition, broaching no less a topic than “the challenges and ways forward into the 21st century”. While some analysts define the Commission as a “teleological” institution bent on justifying its initiatives with a vision of a common future, this was how the Commission, chaired at the time by Jacques Delors who was then in the ninth year of his three successive mandates, illustrated its calling to be forward-looking.

The reception afforded to this original initiative by the national governments at the time was one of only moderate enthusiasm. Yet twenty years later it is clear that a sizeable proportion of the paper’s innovative aspects has been de facto consolidated and subsequently implemented in a methodical fashion. Above and beyond the changes in the political ethos, and above and beyond the dual shock of enlargement and of the acceleration of the globalisation process that has rocked the European Union, the white paper has thus been used as a kind of template for the further development of European Union policy in the economic and social spheres. It laid the groundwork for a framework that was subsequently to take root without any major changes being made to it.

First of all, we should take a look at the circumstances that spawned the white paper, which was put together in two stages marked by the two European Council

meetings of 1993 under the Danish and then the Belgian EU Council presidency¹.

We shall then go on to discuss the most important aspects of the white paper, before offering a kind of assessment of the paper consisting in highlighting those parts of it which were subsequently followed through on, or even developed in greater depth, as well as the parts which have been disputed or misunderstood and are thus open to further debate today.



1. The circumstances that spawned the white paper

The idea of a major white paper² began to be aired in the early months of 1993. It consisted in adopting a sweeping initiative to counter the sluggish, bleak mood of disappointment that began to gain a foothold in the 12-strong Europe after mid-1992. The ink on the Maastricht Treaty was barely dry and a major step in the implementation of the large single market had just been taken. The successful political and diplomatic achievements of what had now become the European Union after having been merely the European Economic Community were considerable, thanks also to the role

played by the Commission since 1989 in coordinating aid for the countries of the former Soviet Union and for Russia itself. Although initially somewhat blurred, the shape that the political reunion of the countries of western, central and eastern Europe would take began to travel down a path leading towards a distant but very real process of enlargement on the basis of the well-known "Copenhagen criteria" adopted by the European Council in June 1993. The president of the Commission and his institution were allocated a key role alongside that of the leading national figures. Yet in public opinion, particularly in the Community's founder member countries, a rapid deterioration in the job market and growing unemployment, a trend which was to continue basically until the last quarter of the decade, triggered strong disappointment and the risk of undermining the Union's fragile credibility³.

Maintaining an approach that had been successful up until then, Jacques Delors chose to sensitise the European Council in June 1993 by making an informal presentation which was then to be developed in a highly confidential climate on the sidelines of the Commission's customary work. Yet the European Council was accustomed to these sweeping exposés on the part of the Commission's president. Using a revealing combination of diagrams on video projectors (Powerpoint was still a long way off in the future) and of very short commentaries, Jacques Delors persuaded his interlocutors of the structural reasons underlying Europe's sluggish job market, while also offering them the chance of building a collective response through the Union which might leverage their national strength at a time when countries' budgetary margins and their amenability to placing any additional resources in the common kitty were drying up.

The presentation was a clear success and the Commission was given a mandate to go further by producing a comprehensive white paper which it would submit to the European Council meeting at the end of the same year, and which would address ways and means of rapidly and sustainably improving growth, competitiveness and employment in the European Union. And member states would also take part in the debate by submitting a substantive contribution to the proposals by November.

Thus the preparation of the white paper took an open and interactive turn with the member states and with the European Economic and Social Committee, but above all within the Commission itself. The president

and his cabinet seized the opportunity to produce a collective document to which a large majority of commissioners and directorates general could make their contribution. This was to be achieved by giving Secretary General David Williamson the role of orchestra conductor, a role which he played to perfection. This way of doing things, probably a unique occurrence in the history of the Commission, was to make a major impression on the services and was in many ways reminiscent of the method adopted by the French Plan Commission (*Commissariat général du Plan*), an administration mobilised by a mission. Each functionary could clearly perceive that the Commission was more than just an administration tasked with managing a budget and with overseeing the "acquis communautaire"⁴. The Commission could also function along the lines of an extraordinarily rich pool of collective intelligence when the college of commissioners was motivated and rallied around its president. This is most probably the point that a team of anthropologists immersed in the heart of the European Commission's "tribes" in 1993 was trying to make when it pointed out that "there exist intellectual systems at the centre of which 'l'idée européenne' (or the 'European idea') has its place and participation in these systems could be said to be ingrained in the world of the Commission"⁵.

This procedural method spawned the structure of the white paper, with Part A expounding the basic message in 35 pages and 14 colour diagrams, and Part B developing the "preparatory work" resulting from the contributions made by the directorates general. A separate book contained the contributions from the member states, the social partners and civil society.

2. An educational approach to trigger a collective quantum leap

The white paper's political message and approach can be discerned in the preamble drafted by the president himself, harking back in spirit to an appeal made way back in 1985 for a European reawakening ahead of the creation of an economic and social area rooted in a broad internal market.

Once again, it was a matter of making a quantum leap. The white paper set out to help governments to persuade their citizens that "Europe's economies have a future"⁶. To flesh out that conviction, the white paper devoted a large part of its work to providing an educational analysis of what was wrong and what might account for the ongoing nature of three kinds of

unemployment – “cyclical, structural and technological” – and for the sluggish job market⁷. It countered the risk of scepticism and discouragement with a proactive view based on the development of employment rather than on simply compensating for the effects of unemployment. It was based on the two major challenges of the 21st century: the challenge of new technologies, and the environmental challenge to turn those technologies into opportunities for the Europeans; but this, on two conditions that would become the two backbones of its proposals, namely:

- that policies of a national character, particularly employment and research policies, be better coordinated in terms of synergy by taking each other's existence into account;
- that strictly Community policies pursue the internal market rationale through to the end: it was not simply a matter of completing that market but also of providing it with both traditional and novel infrastructure networks.

While earlier overview texts had been built primarily either around or as a continuity of the single market, the white paper offered Europeans a prospect for the future in which growth and competitiveness were means rather than ends in themselves: “Yes, we can create jobs, and we must do so if we want to safeguard the future – the future of our children, who must be able to find hope and motivation in the prospect of participating in economic and social activity and of being involved in the society in which they live⁸”.

In its two parts devoted to the “growth, competitiveness and employment” trilogy, the white paper had the makings of a kind of puzzle with interlocking pieces, a way of highlighting the need for cooperation. Some of these pieces are traditional: the macro-economic threshold for healthy growth, reflecting the spirit of the EMU treaty in which growth is rooted in stability, low inflation and moderate wage policies; making the most of the internal market and backing it up with a common research policy; and the contribution of trade policy to the construction of a more open world. Other pieces, on the other hand, were largely novel and were to spark a certain amount of surprise:

- First of all, the analyses devoted to national employment and labour policies described a demanding national agenda built on the notion that initial and lifelong education, the practices

of social dialogue, labour legislation, social protection and the funding for that protection *form a system in each country* and must develop together, albeit not necessarily in a standard, uniform manner⁹.

- After this, it was necessary to put together a sweeping programme of infrastructures of Europe-wide interest in the spheres of transport and energy (250 billion ecus, 95 of which of priority importance between 1993 and 2000), of telecommunications (150 billion ecus, 67 of which of priority importance) and of the environment (174 billion ecus over seven years), the whole accompanied by a proposal for European funding¹⁰ to the tune of 20 billion ecus a year, two-thirds of which would come from traditional sources and the final third from unorthodox borrowing tools in the shape of *Union bonds and convertible European Investment Fund bonds*¹¹.
- The final element consisted of the long-term view leading towards a *new development model for the Community*. This was the famous “Chapter 10” which was configured as a kind of appendix to the white paper. The idea was that in the medium term the economies of the Union's member countries would be caught on the horns of a dilemma: the more successful they were in rediscovering the path leading to traditional employment and growth, the greater the distance they would be placing between themselves and the new conditions of prosperity and of the quality of life demanded by their citizens. But as long as those economies worked together, they might not find it impossible to succeed both in creating jobs and in pursuing a different kind of growth with a better standard of living, consisting in “the creation of more challenging jobs” “as well as “the valorisation of human capital in local networks, fostering individual responsibility and social participation”¹².



3. Mixed reception, rich legacy

On publication, the white paper was given a favourable reception. The way in which it integrated the aspects of growth, the internal market and employment garnered a majority consensus, in principle. Member states saw it as a way of expanding their macro-economic policies' scope for manoeuvre by removing bottlenecks on the labour market which they had difficulty in addressing single-handed. The social partners spied a chance to play a role in European economic coordination along German lines and to have other doors open before them rather than simply negotiating labour market regulations. The Belgian EU Council presidency got the European Council in December 1993 to adopt a very full action plan, while tasking the economic and financial ministers' council with exploring its budget-related aspects. The most concrete conclusions were drawn by the German EU Council presidency and only concerned employment. This was to become the Essen strategy (December 1994) endowed with additional funding, which was to remain in place for a long time outside the European Social Fund as a resource for funding innovative employment and labour cooperation initiatives.

On the other hand, a barrage of fire from the United Kingdom greeted every single proposal for major, coordinated European projects in the infrastructure sphere, complaining of the return of a "planning hegemony", though it is true that most of the projects did not directly concern the United Kingdom. Germany also displayed reservations with regard to suggestions that borrowing and lending capacity be extended. And France's reaction was impossible to interpret. So, lacking the support of the major member states, the white paper's strategic breakthroughs were nullified. Yet the men and women who lived and worked in the European institutions felt the effect of a breath of fresh air, the breath of a Commission taking on board, and playing to the full, its role as a catalyst for energies in pursuit of a mission designed to further Europe's general interest.

There are two ways of reading the traces of this breath of fresh air: in the innovations contained in the white paper which were later to be brought to fruition; and in the debates and major questions raised by the white paper which are still unresolved to this day.

4. Innovations which have produced results over time

The lengthy analyses that the white paper devoted to employment and labour were doubtless the first to be enshrined in the institutional and procedural innovations which were to develop on the basis of a new article devoted to employment in the Amsterdam Treaty four years later, in 1997¹³. The article on Employment, which is built on the basis of the macro-economic policy coordination process in the EMU, set to music the idea that, failing the harmonisation of labour policies, professional training, education and social protection, member states could still adopt *common goals* and peg the development of national action programmes for the quality of labour, for the inclusion of groups in difficulty, for flexibility and safety, and for the labour market institutions to those goals. The programmes' characteristics remained different but they benefited from the priority support of European Union funding. The monitoring of employment took its place alongside the monitoring of budgetary stability on the European Council's agenda. Above and beyond the employment policy coordination process enshrined in the treaty, the method was to be extended to the social sphere by the European Council meeting in Lisbon under the name of open method of coordination.

At the same time, given that it proved impossible to mobilise major infrastructure projects, the trump card of European competitiveness was sought, with a belated peek at the white paper, in mastery of the information technology that was monopolising research programmes. This was to become the hub of the first Lisbon strategy designed to turn the European Union into the "most competitive and dynamic knowledge-based economy in the world"¹⁴.

Another legacy that the white paper was to hand down to the Commission's strategic initiatives pursued throughout the 2000s, was a care for consistency, for fostering synergy in the spheres of collective action, in fact what some were to call the holistic aspect of European strategy. National policies are often hemmed in, "piliarised" around powerful, specific ministries. The organisation of the European Commission's services is lighter, built around a secretariat general which acts as the proactive arm of the president, whose brief for coordinating the team was boosted in 1992. It allows for a more integrated method of functioning in which horizontal synergies can be developed through the judicious use of horizontal working groups and through the proper orchestration of inter-service

consultations. It is absolutely plausible that the collective work headed up by David Williamson from August to October 1993 to produce Part B of the white paper strongly influenced the spirit of the young functionaries involved in the job, and that group of functionaries is the circle from which future cabinet members are chosen. Thus it is no mere coincidence that throughout the 2000s the successive variants of the global strategy proposed by the Commission and adopted by the European Council bore the mark of growing integration. First pairing employment with growth, the strategy then added social and environmental issues as it looked ahead to "Europe 2020".

Resorting to hyperbole, one might say that the intention to promote overall consistency, to harmonise the macro-economy, the labour market and the structural reforms linked to the internal market in the white paper, was given an almost excessive operational boost in the Commission's strategic texts. I say "excessive" in the sense that incorporating common policies into a single monitoring process on a yearly basis has made those policies far more difficult to identify. Strait-jacketed in an excess of formal meetings, the policies have no real respondent at the national level and fail to spawn genuine cooperation. Mutual monitoring is confined to making sure that each swimmer stays in his lane - and even that is excessive interference - but it fails to concern itself with those that are struggling.

5. Two issues that are still open

Now we should take a look at the debates triggered by the white paper but to which the white paper itself does not provide the answer, namely: the issue of major infrastructure and trans-European network projects; and the prospect of a change of course in the development model as a consistent response to the dual challenge of unemployment and of the standard of living.

In shifting onto the minefield of funding and of the European Union's capacity for borrowing in order to fund the major European projects, the debate on the "Community added value" accruing to those projects thanks to the network effect and to economies of scale - the debate on the transport, energy, telecommunications and environment infrastructures - has been deflected from the primary intention enshrined in the white paper, which was based on the concept that initially underpinned the European Coal and Steel Community (ECSC), namely to highlight the fact that pooling in the name of a shared European interest

could become a symbolic tool for adding value to a common image, to a political identity. The opponents of that viewpoint made a great deal of noise at the time about a "slide into Keynesian economics" and they succeeded in banishing the federative element inherent in that intention, an element which has continued to be cruelly absent since the crisis of 2008.

The issue is still topical today. It should teach us to steer clear of arguing in those networks' favour on purely macro-economic grounds. The networks need to be better specified, better identified, in the name of the de facto solidarity that exists in the energy, environment and telecommunications spheres. These spheres bind together not only the EU member states but a far broader group of countries in their neighbourhood. That is the whole point of the proposals being put forward today in the energy sphere, in particular by Notre Europe - Jacques Delors Institute¹⁵.

The white paper's second major legacy is the "new development model". On rereading Chapter 10 in the white paper, one is struck by the restraint shown in its references to environmental issues. What it does tend to highlight is the development of the life-style and work organisation models to which an economy taking greater care in managing its natural resources could lead us. The crucial management of nature is seen less as a constraint or a lever for competitiveness and effectiveness, and more as the start of a new path for growth, employment, life-styles and consumption models.

The further shift toward the highly technical concept of energy efficiency, in particular with the Europe 2020 strategy, conceals the conviction that what could, and still can be, proposed to the citizens of Europe is no longer simply employment but also a different quality of life-style and a different quality of life in the workplace itself, marking our distance from consumerism in such a way as to open up to different forms of gratification and different amenities in the relational sphere.

If the expectations voiced by the younger generations are anything to go by, it is not too late to aim for that turning point for Europe, to aim for a less quantitative vision of mankind's development. By the same token, we may draw the conviction from the singular experience gained in putting together the white paper, that the Commission can embody the necessary quantum leap in common hope if it is driven by the will to do so.

1. European Council meeting in Copenhagen on 21-22 June and European Council meeting in Brussels on 10-11 December 1993.
2. In European Commission administrative jargon, a white paper is a communication with a comprehensive impact generally covering several policy spheres and taking a longer-term view. Unlike green papers, white papers contain proposals for legislative decisions.
3. In the late '80s unemployment had hit an all-time low in the EC(12), affecting 12 million people. Within three years it had risen again by 4 million units, affecting 16 million people, or 10.5% of the active population, by 1993.
4. *Acquis communautaire* in European law is the term used to define the group of legal regulations built up as a result of the initial treaties. Monitoring the effective implementation of this acquis is the task of the Commission in its capacity as "guardian of the treaty".
5. Marc Abelès, Irène Bellier, Maryon Mac Donald, *An Anthropological Approach To The European Commission*, report dated December 1993.
6. Preamble to the [white paper](#).
7. *Ibid.* p. 10-11.
8. *Ibid.* Preamble.
9. *Ibid.* p. 16.
10. European public funding reportedly accounts for 120 billion ecus, thus 40%, of this sum, one-third of which is through the EU budget, one-third through the EIB and the rest through new Community bond instruments.
11. *Ibid.* p. 33.
12. *Ibid.* p. 146.
13. A development to which President Santer and the Luxembourg duty presidency had imparted a joint thrust.
14. [Conclusions](#) of the European Council meeting in Lisbon in June 2000.
15. See for instance Sami Andoura, Leigh Hancker and Marc van der Brouwe, "Towards a European Energy Community", Foreword by Jacques Delors, *Studies & Research No. 76, Notre Europe*, March 2010 and Christian von Hirschhausen, "Financing Trans-European Energy Infrastructures – Past, Present, and Perspectives", *Policy paper No. 48, Notre Europe*, November 2011.

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