

## Report from Bonn by Rainer Apel

### It can be done, but must be done now

*A debate about sound new approaches to reverse the economic depression has begun in Germany.*

The June 1 French elections, which brought a Socialist-led coalition government to power that broadens the front against free-market neo-liberalism in Europe, has sparked new debates in Germany. Labor union members and the opposition Social Democrats have not only re-discovered the 1993 Delors Plan for investments and new jobs, but also re-discovered the U.S. labor movement as an ally in the struggle to create such new jobs.

The most spectacular development has been the script which Dieter Schulte, chairman of the German labor federation DGB, had with him, for the international labor unionists' meeting, organized by the AFL-CIO, with President Clinton in Washington on June 9. There, on the eve of the Denver Summit of the Eight, Schulte spoke of a crucial role that Clinton must have, in any strategy to overcome mass unemployment, internationally.

"Mr. President," Schulte wrote, "the Germans of my generation have experienced two outstanding developments coming from your country after the war: . . . the American generosity via the Marshall Plan, which 50 years ago made the reconstruction of Europe possible. . . . [And] the societal mobilization that was coined with the term *compassion* by one of your most important predecessors, John F. Kennedy."

"Compassion," Schulte said, implies the commitment to "the principle of social justice, which has to keep a society together and develop it," and that kind of commitment is required today, because "in the OECD countries alone, 36 million human beings are being pushed to the fringes of society, by unemployment."

"In my view, to change that, to provide juster opportunities for life, calls for all efforts possible, even unconventional ones. The impulse to do so," Schulte stated, addressing Clinton, "must come from a sovereign figure, that is received with worldwide respect and with confidence on the issue. That is why I urge you: Please do not wait for the next summit in the first half of 1998 to launch the fight against unemployment, but send out a clear signal now from Denver, together with your colleagues."

Such a signal was not sent out from Denver—the agenda was determined weeks ago, and no ad hoc changes were welcome. This was also the situation before the Amsterdam summit of the European Union (EU), held a few days before the Denver summit. But strong political pressure by the French government forced some concessions at that EU summit, some changes in the agenda, concerning the creation of new jobs. This proves it can be done, if there is a commitment to change things. The fact that the new French government tried something, is more important than the fact that it did not fully succeed, in Amsterdam.

Now, what Schulte wrote about "not waiting" for the next G-8 summit in London next spring, but doing something against unemployment in the near future, remains on the political agenda. One of the concessions extracted in Amsterdam by the French, was the announcement that a special EU summit on employment would be held in the autumn. This has been welcomed by the German labor unions, which, after the Amsterdam summit, called on the EU to reinstitute the original, 1993-94 impulse for an all-Euro-

pean program for public infrastructure projects, investment in small and medium-sized industries, and the creation of jobs. In June, Michael Geuenich and Ursula Engelen-Kefer, vice chairmen of the DGB, called for reviving the investment-employment dynamic of the Delors Plan—which is still there, even in the watered-down version of the EU White Paper, passed at the December 1994 Essen summit.

The Essen formula could create 1-1.5 million jobs. But, the original Delors Plan of 1993 envisioned the creation of 12-15 million jobs. This shows what the potential of a new EU employment strategy could be.

However, the EU employment summit would not include the United States, which is not part of the EU. The momentum for a new Marshall Plan for the Balkans and eastern Europe will have to come into play. When Clinton was in Brussels in May, a special EU-U.S. conference for such a new Marshall Plan was announced.

The two events can be held simultaneously. How to do this, was hinted at in the June 12 special session of the German parliament commemorating the 1947 Marshall Plan. There, Sigrid Skarpelis-Sperk (Social Democrat) outlined three elements of such an approach: cooperation of the governments with labor (as in 1947), the Delors Plan for western Europe, and a new Marshall Plan for eastern Europe. A lesson of the Marshall Plan, she said, is that money should not be pumped into the seemingly more profitable private sector, but into development of the bottleneck sectors of the eastern economies—transport and energy infrastructure.

This idea is worth elaborating further, and it will have the support of the German labor movement. So, what did not work out in Denver, can come to pass in Luxembourg, where the EU employment summit will be held.