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REGION
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REGIONALISM
No 4

CULTURAL AND REGIONAL INTEGRATION. THE CASE OF THE SAAR-LOR-LUX CROSS-BORDER LABOUR MARKET

1. INTRODUCTION: DECLINE OF OLD INDUSTRIES AND COUNTER- -MEASURES

The development of the labour market in the border region Saar-Lor-Lux (figure 1) is only comprehensible in the context of the general macro-economic and structural change and the evolution of a common European market. The whole region, and especially the Lorraine part, suffers of a fast decline of the traditional mining sector, the iron and steel industry and the textile industry (figure 2). Alone in the coal mining industry of the Saarland, more than 40,000 miners have lost their employment during the four last decades. The number of operating mines in this area will have declined from 18, at the eve of the so-called coal crisis to only two in 2000. In Lorraine (Bassin Houiller Lorraine) mining activities will completely end by 2005. Similar employment losses can be observed in the iron and steel sector of the Nancy-Pont-à-Mousson-Thionville-Longwy corridor as well as in the Saarland and in the textile industry in the Vosges (Reitel 1980, Schmit 1989).

Whereas there has been a transboundary labour market in this region with respect to the traditional industries such as mining and, especially iron and steel, a new transboundary market is evolving in the Euroregion Saar-Lor-Lux. It may be conceived to be the result of the European integration process as well as an adaptation of the economic structural change. The succeeding examination of this new cross-border labour market in the Saar-Lor-Lux region will concentrate on the French (and partially the Saarland) part of this region.

We can distinguish two types of reactions to the decline of the mining, iron and steel industries:

1) official and planned measures to countervail the employment losses by the creation of new employment opportunities, and

2) unplanned developments such as the increasing importance of transboundary commuter relations between Lorraine and its neighbouring regions (in our case, the Saarland).

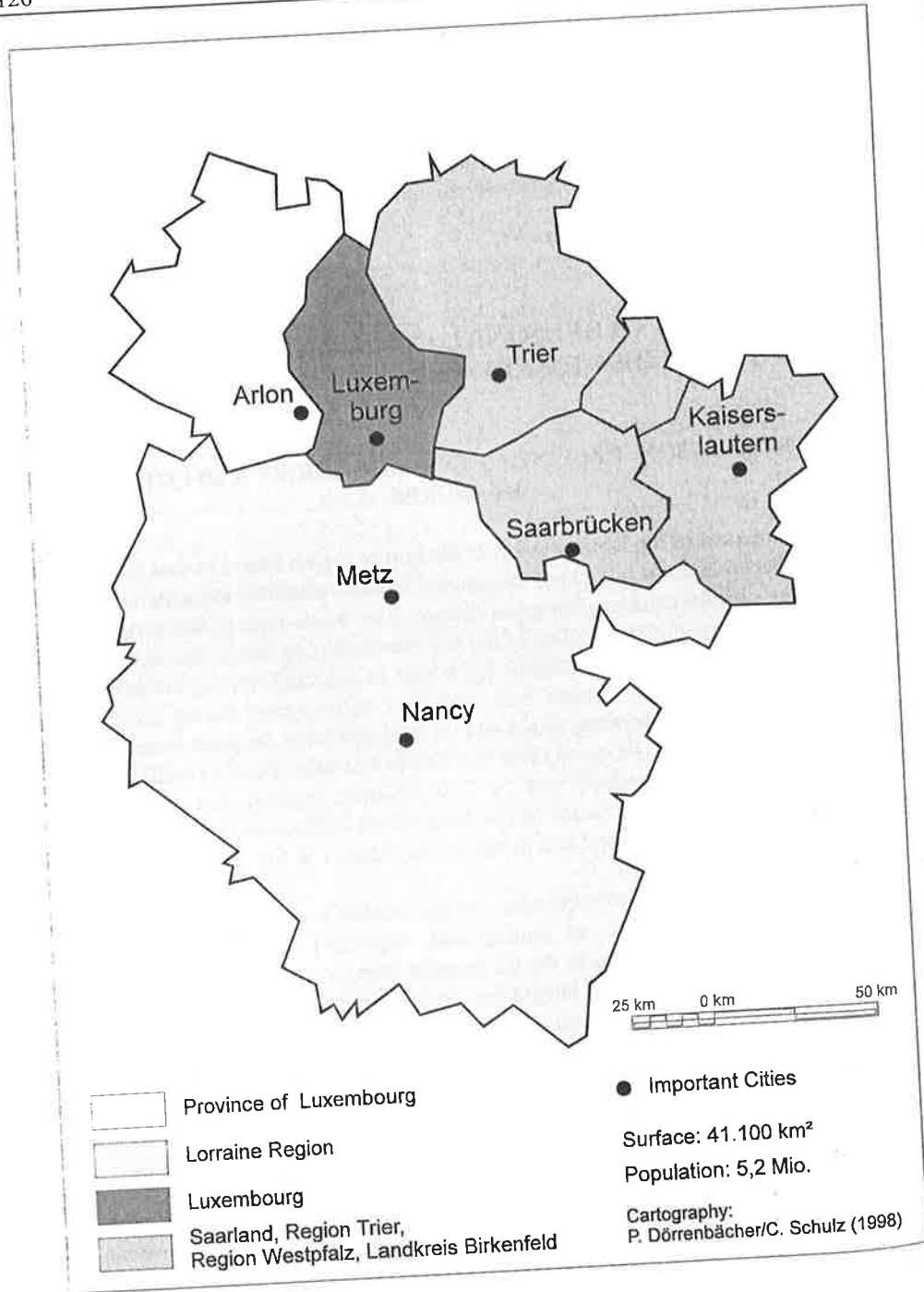


Fig. 1. The Saar-Lor-Lux region (delimitation proposed by the Geography Departments of the Universities of Metz and Saarbrücken)



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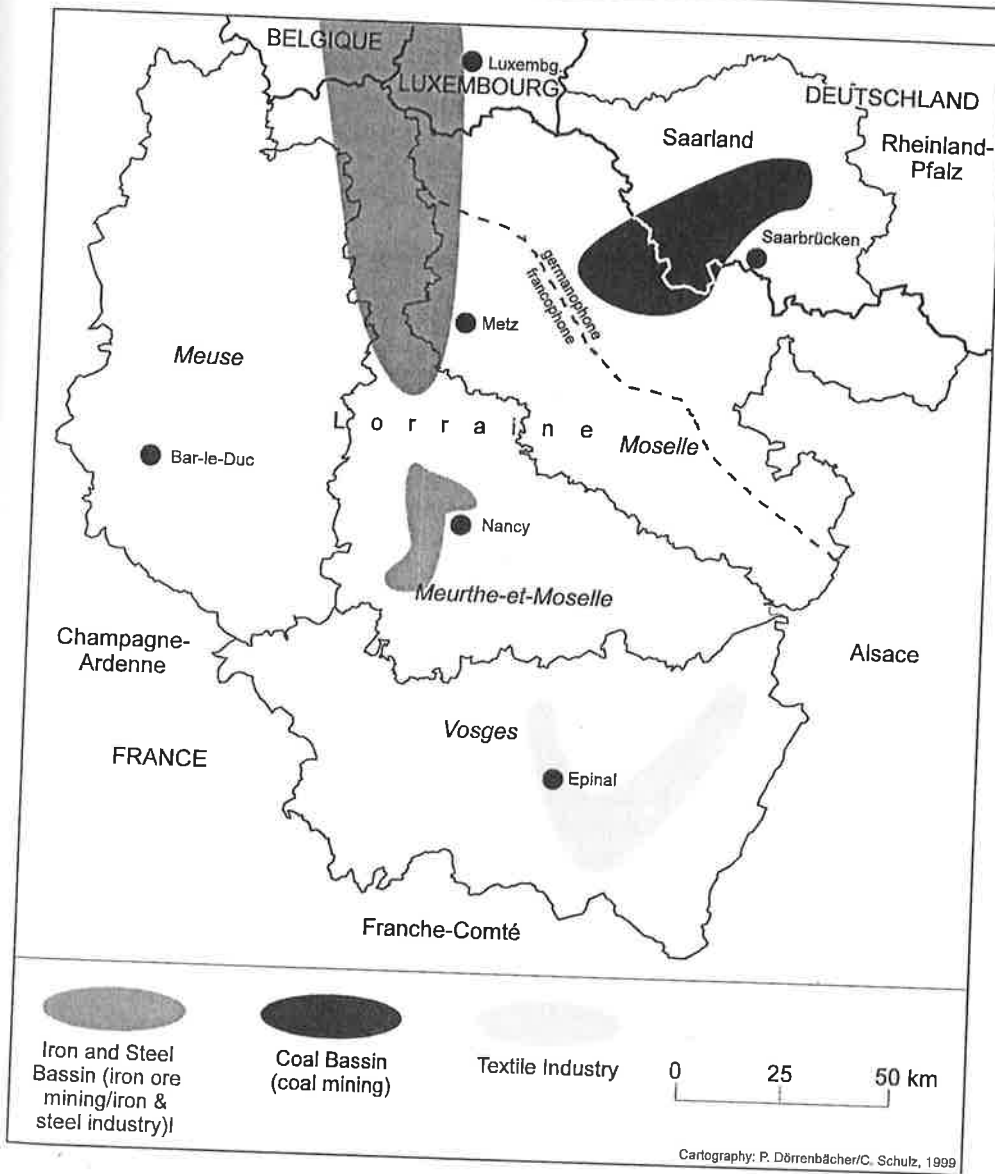


Fig. 2. Industrial decline in the Saar-Lor-Lux region

The industrial policy adopted by French authorities, which is most important with respect to the creation of new employment opportunities strongly, relies on foreign direct investment (especially in the chemical/plastics industries as well as in the automotive parts industry.¹ In addition, there are efforts to strengthen the process of tertiarization by

¹ As in Lorraine, most employment opportunities were provided by the automotive parts industry (also in the Saarland). Today in the Saarland, this sector is more important with respect to employment than both

supporting the service industries, especially in the conurbations of Metz as well as close to the French-German border, here especially in vicinity to the Saar capital Saarbrücken.

The most important of the unplanned consequences of the weak labour market due to industrial decline is the evolution of a growing cross-border labour market based on a huge number of daily commuters. With respect to the specific situation of the Saar-Lor-Lux border region as a transboundary labour market, the following comments will concentrate on:

- direct investments of German firms in the French part of the Saar-Lor-Lux region,
- transboundary commuter relations from Lorraine to the Saarland, and
- language policy measures adopted in the Saar-Lor border region.

2. DIRECT INVESTMENTS

More than 150 German firms have settled in Lorraine. This number represents more than 60% of all foreign investments in this area. The spatial distribution of German direct investment in Lorraine is concentrated on three clusters:

- 1) the Canton of Sarreguemines,
- 2) the coal mining basin around Forbach and Freyming-Merlebach (Bassin Houiller), both near to the urbanized area of Saarbrücken and the French-German border,
- 3) apart from these two clusters, there is a third concentration of German direct investments in the upper Moselle valley around Thionville (steel-smelting district) (figure 3).

Generally speaking, most of the German direct investment and employment provided by German firms is located in the German-speaking part of Lorraine, in the east of the French-German linguistic border (figure 3 and 4). There are only two exceptions: the Moselle valley around Metz and the steel smelting region around Thionville-Longwy. In general, as it could be anticipated, we observe a declining number of firms with an increasing distance from the border (figure 3 and 5.1). The reasons for this pattern are probably:

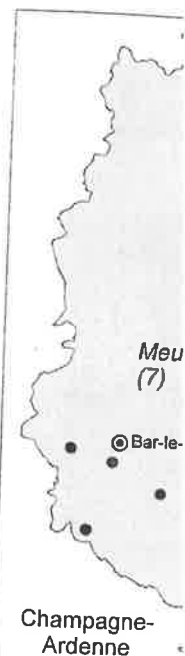
- the lingual capabilities of the work-force in this area,
- the proximity to the German headquarters or
- the greater cultural familiarity of both German investors and employers and the French work-force. It seems certain that a narrow stripe along the French-German border was most appropriate for many of the firms which were only looking for access to the French market.

Contrarily to the distribution of firms, the mean size of the plants increases with the distance from the border or with the distance from the urbanized area. Along the border, we find a multitude of relatively small companies, and in the hinterland a relatively small number of companies with a fairly large work-force. We can suppose that the functions of the firms in both areas are different. In the hinterland, they are characterized

mining and steel industry together. With respect to Lorraine, the 'MicroCompact Car' factory (MCC), better known under the name *Smart*, which has been erected recently in Hambach near Sarreguemines by the German Daimler-Benz corporation (today the German-American Daimler-Chrysler corporation) is one of the most important investments of the last years. The information given on German direct investment in Lorraine has been derived from VALORIS Lorraine (1998) and Editus Luxembourg (1998) and from calculations executed by the authors of this article.

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by a predominance of production sites with a standardized production and nearly no managing functions; the amenities of these sites are:

- 1) low price level for real estates,
- 2) low wages,
- 3) public subventions, and
- 4) the proximity to Germany.

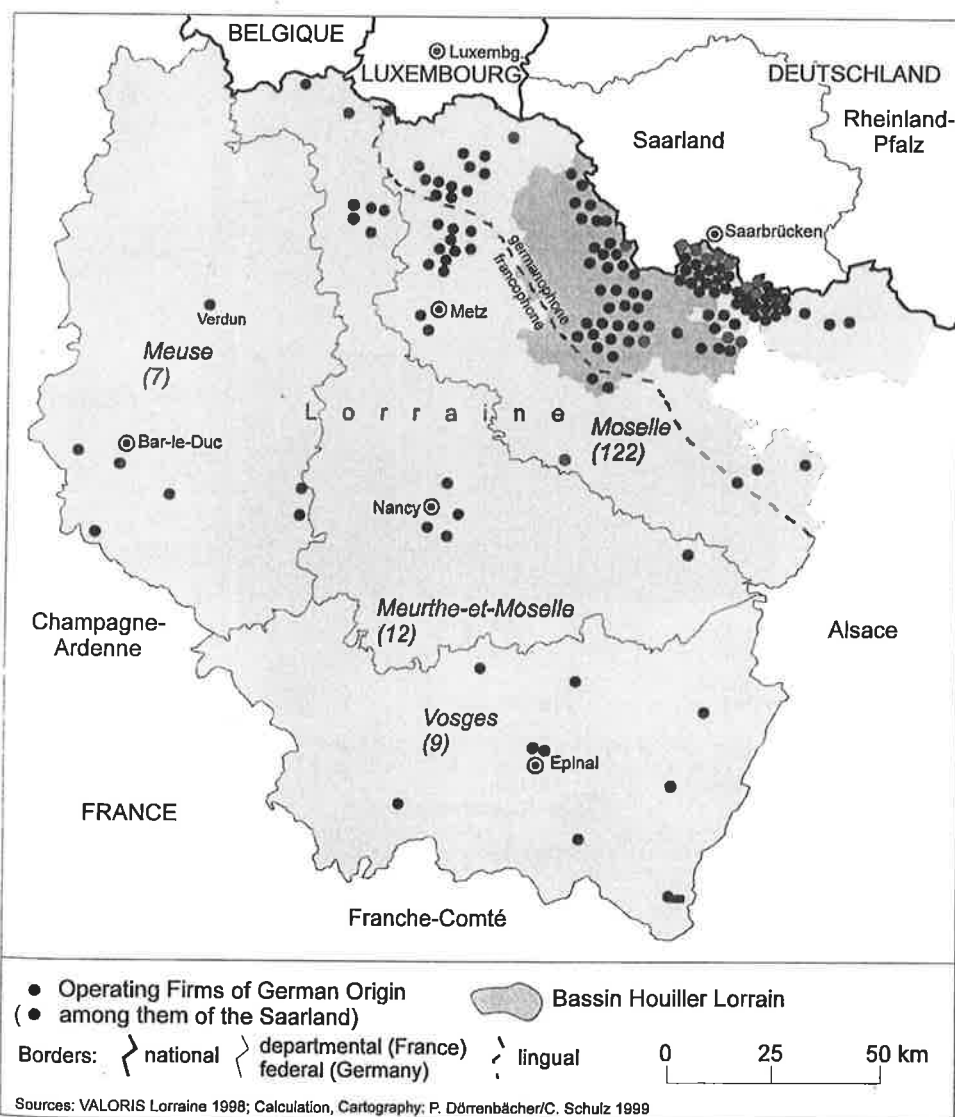


Fig. 3. German firms in Lorraine

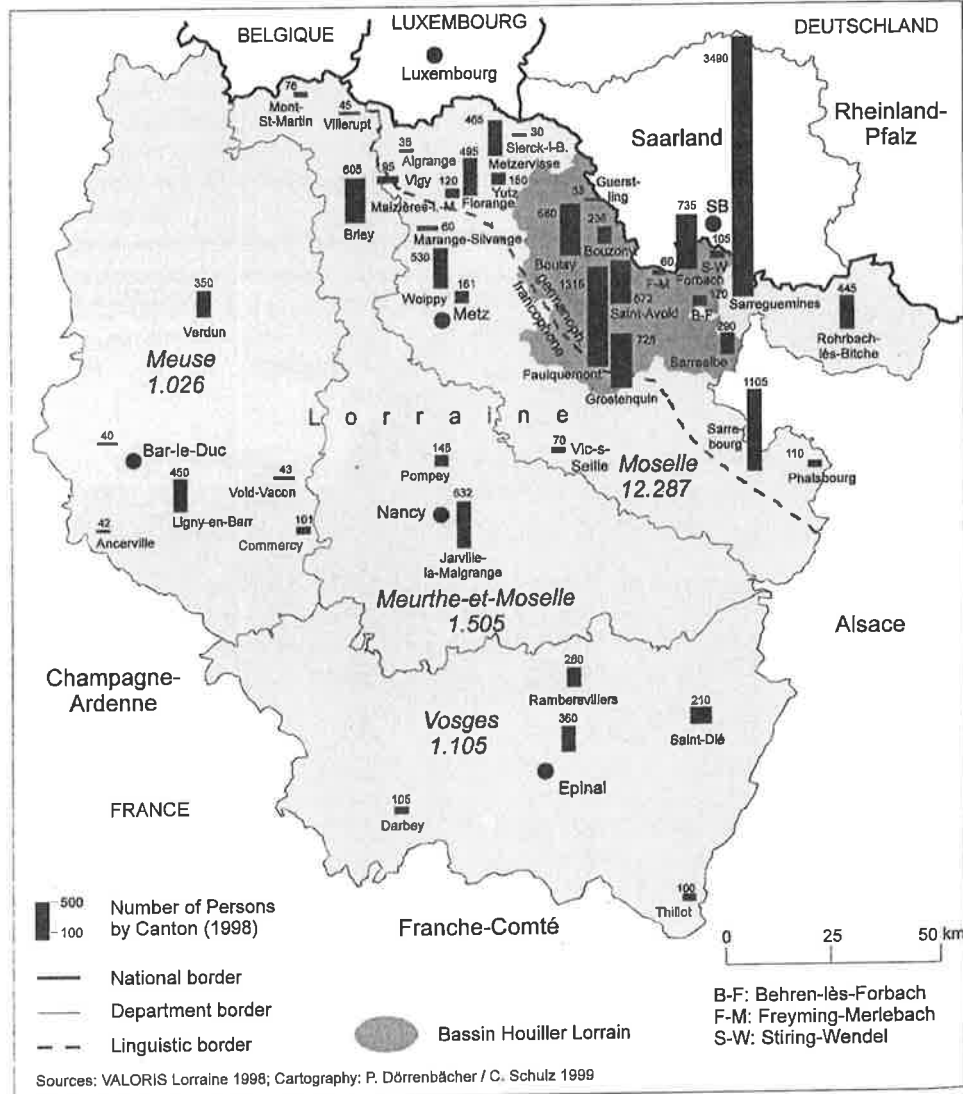


Fig. 4. Employment in German firms

Language skills of the work-force which are absent in this area are only of secondary importance. At the same time, the high number of German firms along the border is corresponding with the fairly comprehensive spectrum of foreign direct investment in this zone.

In view of the fact that only few German companies in Lorraine have their origin in the Saarland (figure 3) and that only few Germans (some hundreds) are employed in these firms, the German direct investments contribute only to a very limited extent to the evolution of a real transboundary labour market.

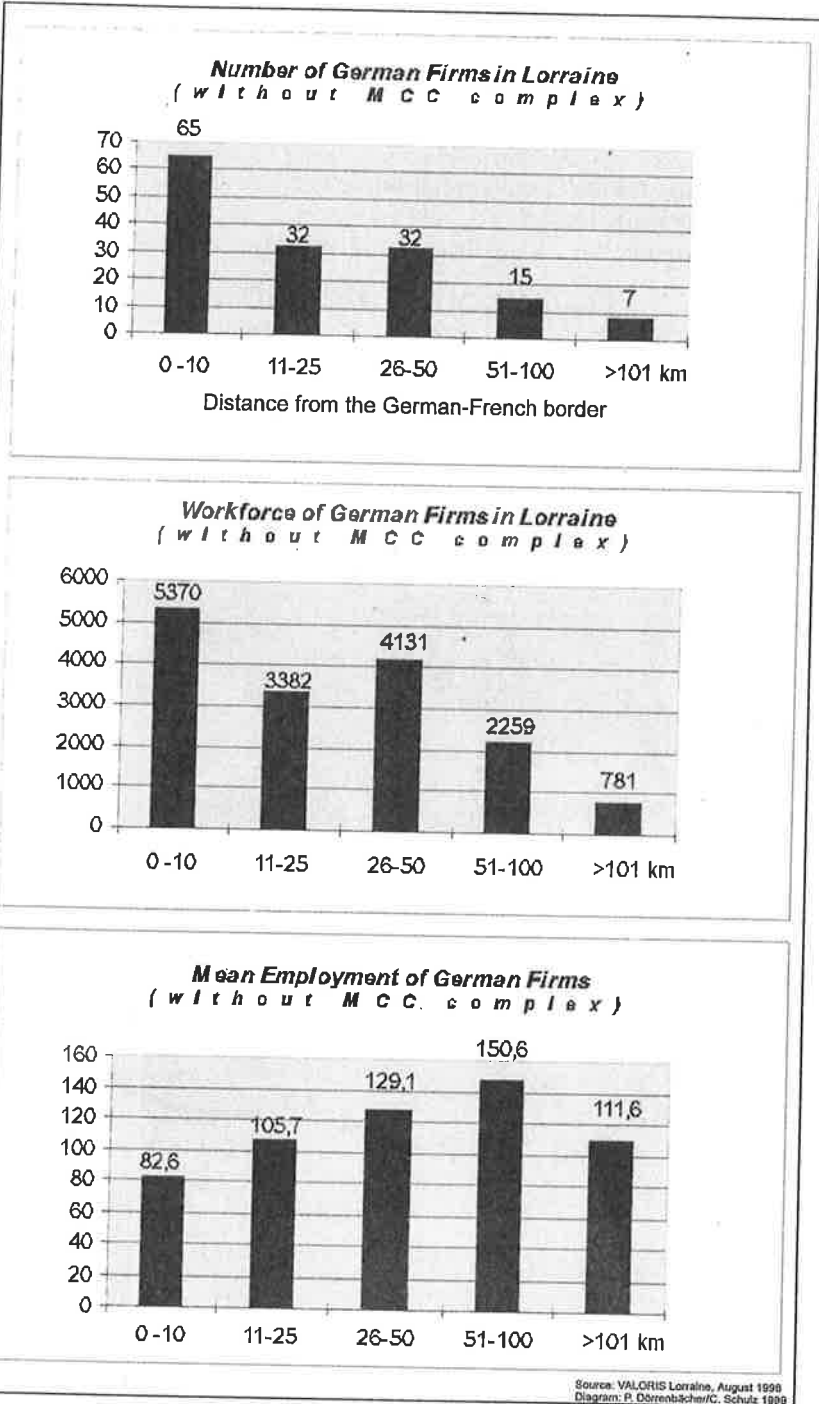
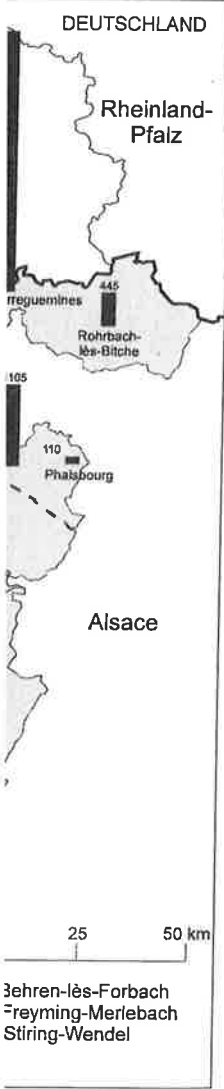


Fig. 5. Number, employment and mean employment of German firms in Lorraine

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3. TRANSBOUNDARY COMMUTER RELATIONS

The evolution of a transboundary labour market is rather based on the tremendous number of daily commuters crossing the national border in order to work. Due to economic, social and salary disparities, this growing phenomenon characterizes especially the border between Lorraine and Luxembourg as well as the border between Lorraine and Saarland (figure 6).

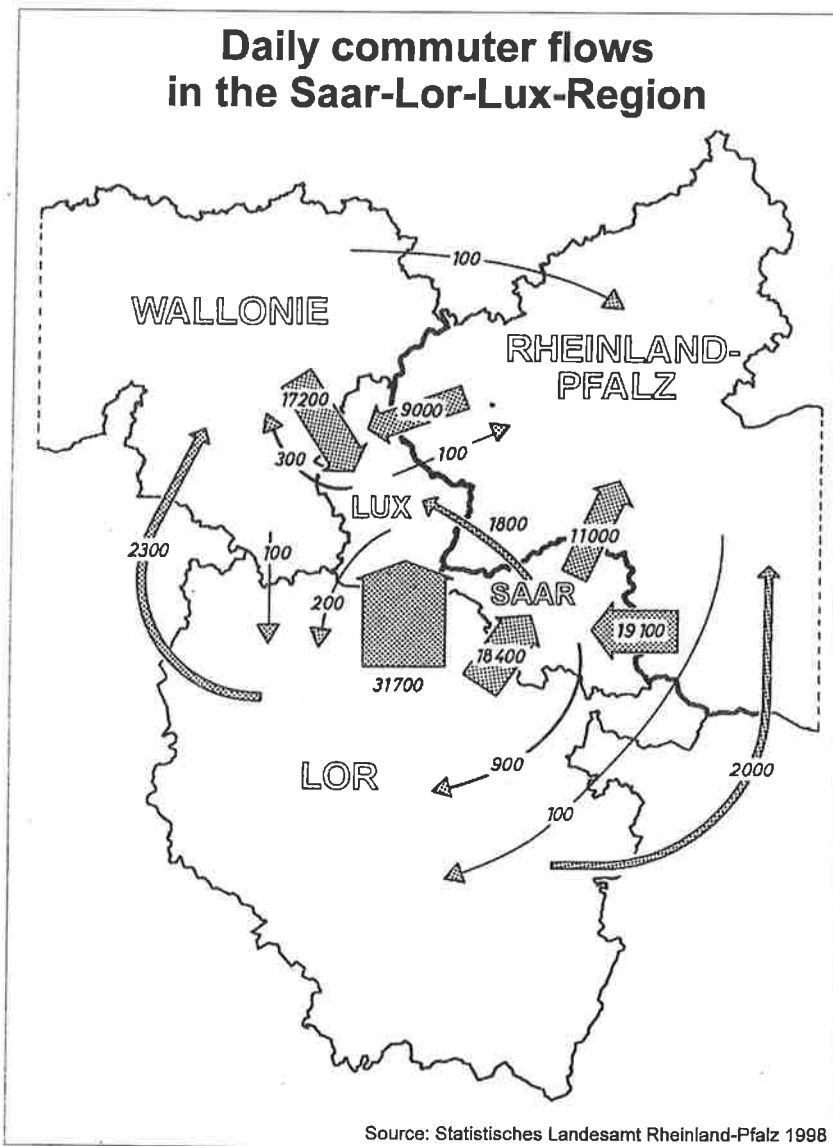


Fig. 6. Daily commuter flows in the Saar-Lor-Lux-Region

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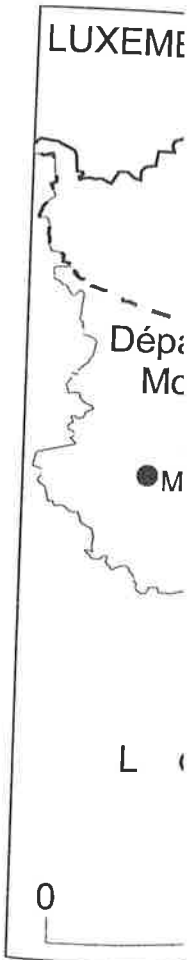


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Almost 32,000 (registered) persons are crossing the border between Lorraine and Luxembourg; 18,500 are commuting from Lorraine to the Saarland. But the flows between Germany and Luxembourg (11,000) and between Wallonia and Luxembourg (17,000) do also reach a considerable importance (*Statistisches Landesamt Rheinland-Pfalz*, 1998). At the same time, the other commuter relations (i.e. Lorraine-Wallonia) are less significant. Especially the commuter flows in the inverse direction, i.e. from Luxembourg or the Saarland to Lorraine are only of marginal importance.

We will now focus only on the rather small distance flows between the Bassin Houiller Lorrain and the Saarland (figure 7).

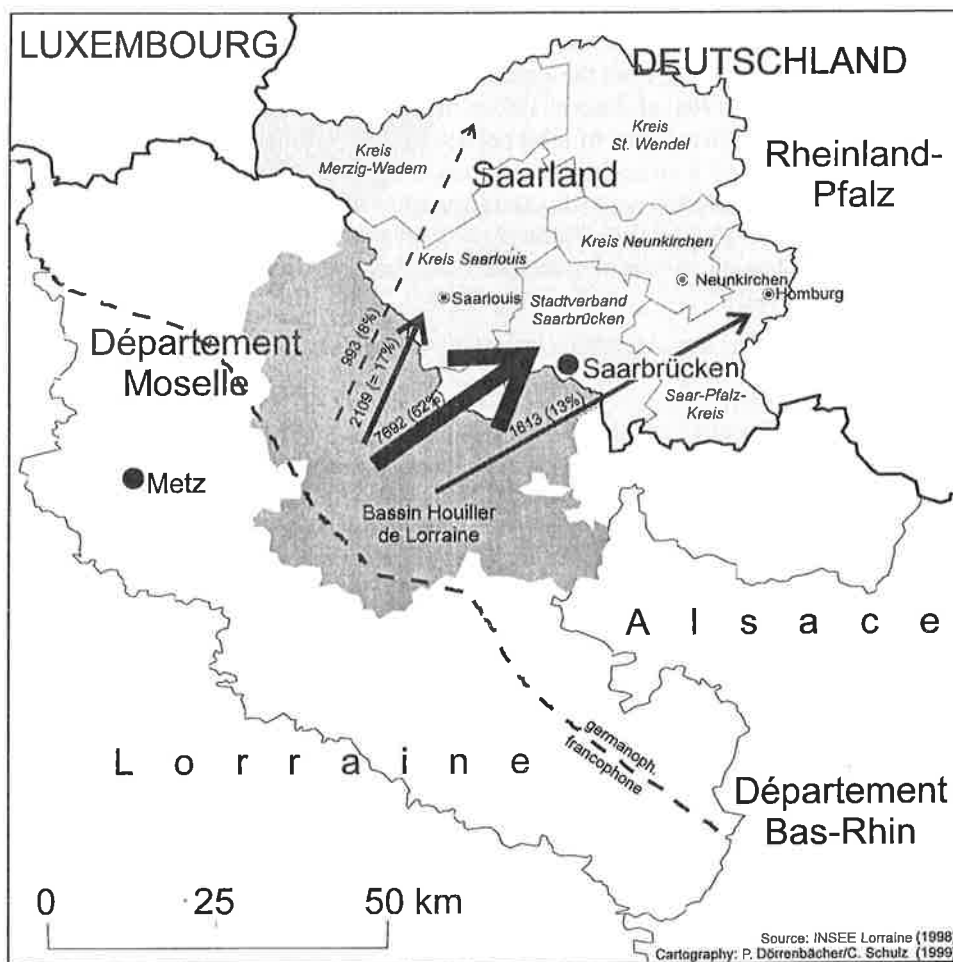


Fig. 7. Direction of transboundary commuter relations (Bassin Houiller Lorrain – Saarland)

This group can be divided in two clearly separated categories:

The first category – mainly consisting of persons of French origin – can be further classified into the following sub-categories:

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- industrial workers who are mostly working in large factories, such as the Ford car production plant in Saarlouis or the Michelin tire production plant in Homburg/Saar,
- a work-force - mostly female with minor qualifications - which is employed in the low wage labour market (especially by large building cleaning companies), and
- to a lower extent, bilingual employees working in the service sector. This sector which is concentrated in the urban area of Saarbrücken and serving a German as well as a French clientele, is characterized by a high proportion of communication activities.

The second category consists of Germans who became residents in the French communities along the border because of the lower price-level of real estates and residences in Lorraine (especially near to the urban agglomeration of Saarbrücken). The number of Germans in this area has doubled since 1985. Today, there are more than 12,000 Germans originating from the Saarland who are living in the communities across the border (SESGAR 1994; cf. Ramm, 1999a; b). Apart from the many side effects, such as a possible German dominance of local politics in the French border communities, this process has resulted in a strong increase of cross-boundary commuter relations: alone between 1990 and 1997, the number of Germans commuting between their residences in Lorraine and their work-places in Saarland has increased from less than 2,000 to nearly 6,000 persons. They are representing around 6% of the work-force of the Bassin Houiller Lorrain (figure 8 and 9)!

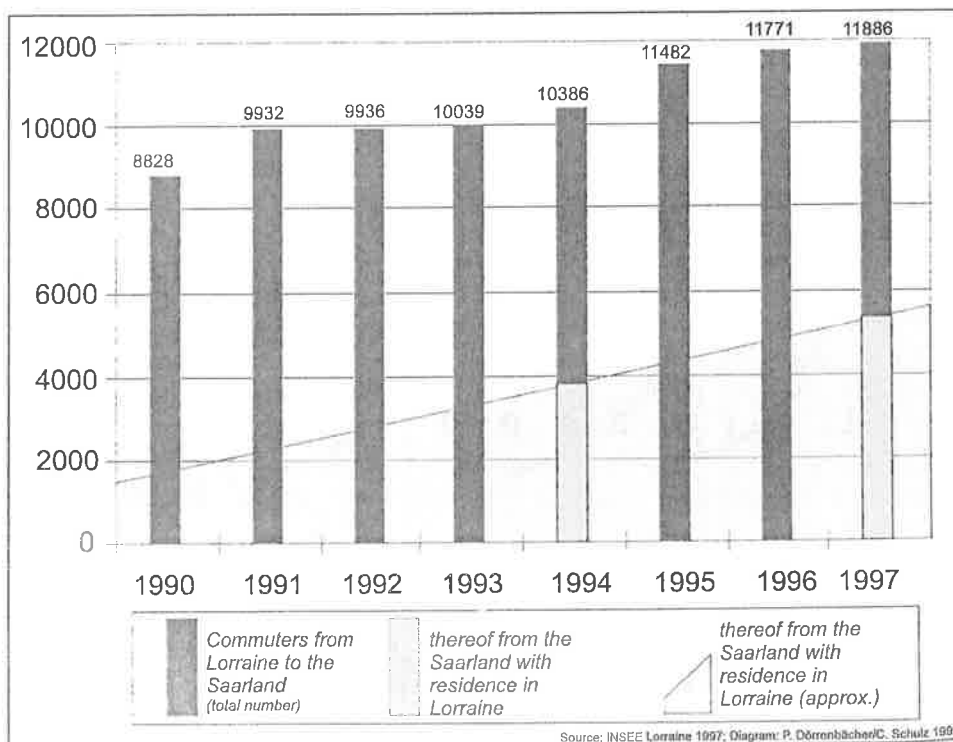


Fig. 8. Development of commuter flows from Lorraine to the Saarland



Sources: INSEE 1997; 1998; VA

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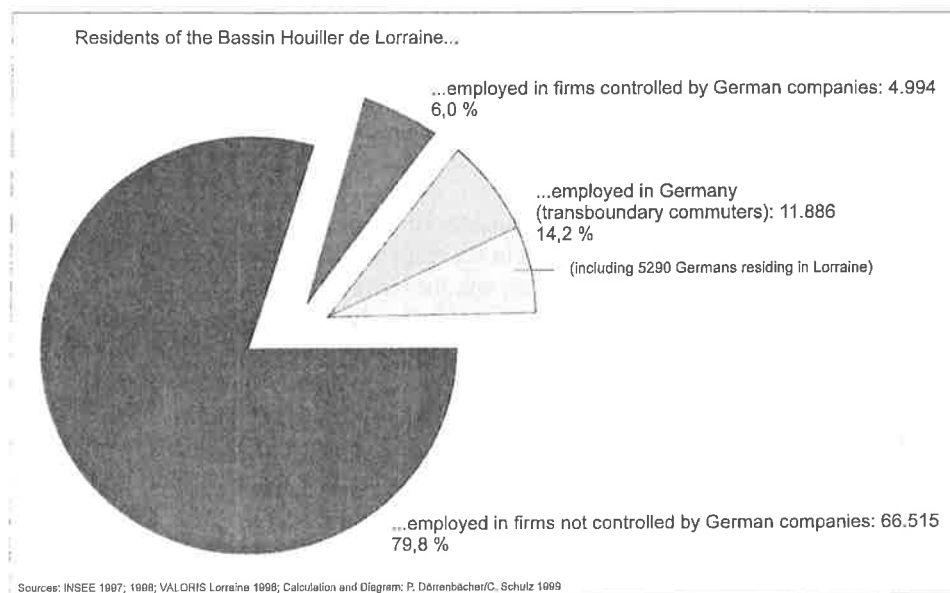


Fig. 9. Labour-market of the Bassin Houiller Lorrain

The characteristics of the French work-force employed by German firms mentioned above are resulting in specific social and economic problems. Often treated like 'second class' employees in terms of competences, income and participation in decision-making processes, these persons suffer another financial disadvantage: Despite the double taxation agreement (Doppelbesteuerungsabkommen) between France and Germany which is to avoid the double assessment to the income tax assessment, they have to pay their contribution to two national social insurances (Weth, 1998). Another problem lies in the field of transport infrastructure: due to the marginal number of cross-border relations in public transport, 99 percent of these persons use their private car to go to work. But the most important problem is certainly the very limited private contacts between French and German workers and employees at their place of work. One of the reasons for this 'isolation' of French employees, especially in the industrial sector, is the linguistic barrier (Kilp, 1998).

4. LANGUAGE POLICY IN THE BORDER AREA

On both sides of the border, public authorities and education ministries try to strengthen the bilingualism at all school levels. Particular programs in primary schools or in high schools as well as the sensibilization to the neighbour language at the kindergarten level have been intensified in the last decade. In the sector of higher education, intraregional co-operation and student exchange programs between universities and technical colleges (i.e. University Charter Saar-Lor-Lux) shall improve the language skills of the students. The chambers of commerce also developed the first common schemes for professional education (SESGAR 1994).

At the French college level 'Troisième' (15 year old scholars), 42.2% of the students in the Moselle Department in 1998/99 studied German as the first foreign language. As we can see in figure 10, the number of these pupils is more important in the border zones, especially in the Bassin Houiller Lorrain and in the area around Bitche (in the eastern part of the Department Moselle), where the respective percentages are much higher than the regional average.

However, for several reasons, the success of these particular initiatives is very limited. The education of both languages in the respective neighbour country 'competes' with other languages, particularly English, and increasingly Spanish as second language (see table 1). The preference of these languages by the majority of the scholars may explain the very limited interest in the bilingual programs: Only 386 of the students who are learning German do participate in a simultaneous French-German module which is offered in schools following the 'Voie Spécifique Mosellane' (VSM, applied by 44 of the 96 public colleges). Another 112 pupils are engaged in an intensified German program ('Enseignement approfondi') (Inspection académique de la Moselle 1999b).

Table 1. First and second foreign language of pupils in the Moselle Department at level 'Troisième' (Last year of public colleges)

	English	German	Spanish	Italian	Russian	Arab
1st foreign language	6570	4608	68	13	21	7
2nd foreign language	4459	4202	1212	1024	0	4

Source: Inspection académique de la Moselle 1999a.

Another problem which is very astonishing for a border region, exists with respect to the recruitment of suitable teaching staff. In particular the French authorities often have problems to find people able to teach German. Further, different administrative regulations (e.g. different curricula and insurance regulations) are major barriers of cross-border student and academic staff exchange programs.

5. SAAR-LOR-LUX: A TRANSBOUNDARY AND INTEGRATED LABOUR-MARKET?

In view of the fact that about 14% of the employed population of the Bassin Houiller Lorrain cross the border every day in order to work and that nearly 5,000 persons (= 6.0% of the regional work-force) are employed in firms which are controlled by German companies, the Bassin Houiller Lorrain, which is adjacent to the French-German border, can be characterized as a truly transboundary labour market. But this labour market has not resulted in the evolution of an advanced cultural and political integration (cf. Brücher and Dörrenbächer, 1999). Instead, it is characterized by national and cultural fragmentation. The German commuters do not really live in France but only reside in the border communities. They actually stay in the German social and economic system whereas the French work-force which is employed in Germany does not participate in the German social, cultural and political life.



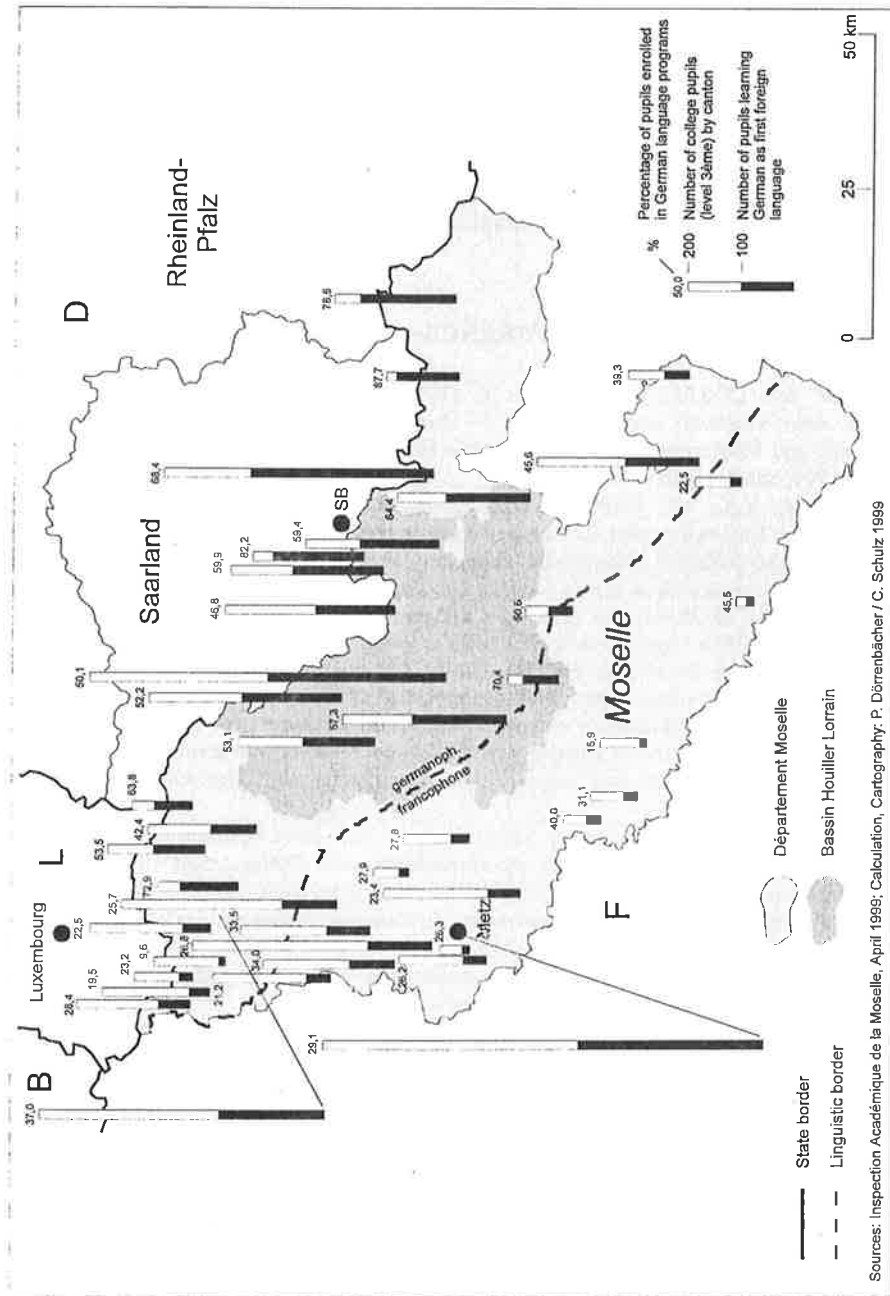


Fig. 10. German studying pupils in the Moselle Department (sprachen.cdr)

There are only limited contacts to the German population, and it is not surprising that there is only a relatively weak identification of the French commuters with the Saar-Lor-Lux region as a border region, as a recent study conducted at the Department of Geography at the Universität des Saarlandes (Kilp, 1998) has shown.

Despite the large variety of initiatives to reduce the linguistic barrier, the language policy is not very successful in this border region. Administrative and legal barriers persist in this and in other sectors. But the existence of a bilingualism would be the most important precondition for a better integration of this labour market. It could be the first step towards an intensified cultural exchange, an approximation of the population and – in a longer perspective – a social and cultural integration of Saar-Lor-Lux.

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