

Social Europe!?

Components for the
political education of
European trade unionists

by Birgita Dusse and Malte Meyer

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Preface

Europe is in the midst of the worst economic crisis for decades. This crisis has far-reaching consequences for growth chances and the labour markets of all the EU states, as well as having a detrimental effect on the living and working conditions of countless Europeans. There are already 80 million people in the EU living in poverty or threatened by poverty, 19 million of them are part of what is known as the *working poor*. These socially marginalised or precariously employed persons are affected by the crisis now and will foreseeably suffer particularly severely in the coming years.

This crisis represents a complex challenge for the social adhesion of the European integration process as a whole, but particularly for trade unions and employee associations. The sustained unemployment which, although not created by the crisis, is exacerbated by it is threatening the living standards and employment conditions of countless employees in Europe. This development affects wage levels, social security systems and working conditions as well as the quality and affordability of public infrastructures.

The resulting expectations upon employee associations to fulfil their protective function are subject to the conditions of reducing member adhesion in reverse correlation to their problem-solving capacity. The discernible tendency to fall back, for instance, on the defence of specific location interests is not very helpful in this difficult process of reinforcing the social dimension of the in-

tegration process. Trade unions and union-affiliated organisations are therefore called on particularly in times of crisis to establish international relationships of cooperation and thus prevent a possible reversion to national egotism. An effective response to this challenge for union and union-affiliated organisations is not to be achieved by thoughtless disregard, but rather by the intensification and expansion of the European integration process.

The basic and advanced training of trade union officials acquires particular significance when seen against the background of these challenges. The need for stricter reference to European integration processes has long been a matter of course for trade unionists. For instance, trade unions offer workshops for their secretaries and volunteers on important European topics such as the Directive on European Works Councils, ECJ decisions on minimum wage regulations or even the free movement of workers. However, European topics cannot yet be seen as an obligatory or even dominant component of the training of new trade unionists.

But, particularly in times of crisis, trade unionists must be intensively prepared for their future tasks at European level. The social dimension of the European integration process has long been more than just a topic for soapbox speeches, it is an inevitable component of day-to-day union practice. Against this background, trade union and union-affiliated education and training is rising

to the task of leading new workers out of the role of mere interested spectators through the teaching of competences, critical expertise and organisation of European exchange processes to ensure that these workers actively participate in the conception of this level. Such a process is in line with EU interests in the creation of good jobs, equality of chances and social cohesion.

In this connection we are pleased to be able to provide the public with this handbook for the (further) education of trade unionists on European politics. As a result of the financial support of the European Commission – for which we would like to take this opportunity to express our thanks once again – the project team around Maurice Claassens, Birgita Dusse, Malte Meyer and Agata Patecka has succeeded in a project carried out between October 2010 and September 2011 in translating a series of very good ideas into coherent didactic concepts and methodological incentives. The materials developed are suitable not only for the training of trade unionists. Our thanks also go to Ellen Durst, who has efficiently supported the preparation of the handbook on behalf of the Directorate-General for Employment.

Participants from organisations and institutions such as *Arbeidernes Oplysningsforbund* (Oslo), *Arbejdernes Oplysningsforbund* (Copenhagen) *Arbetarnas bildningsförbund* (Stockholm), *DGB-Bildungswerk* (Düsseldorf), *EMCEF* (Brussels), the *European Civil Society Platform on Lifelong Learning* (Brussels), *Fagligt Internationalt Center* (Copenhagen), the *General Workers Union* (Malta), the *Global Labour University* (Kassel), *IG Metall* (Frankfurt/M.), the *Institut für Sozialforschung* (Frankfurt/M.), the *Johannes Mihkeksin Center* (Tartu), *La Ligue de l'Enseignement* (Paris), the *Lithuanian Labour Education Society* (Vilnius), *MSZOSZ* (Budapest), the *People's College* (Dublin), the *Stow College* (Glasgow), *Työväen Akatemia* (Helsinki), *UGT* (Lisbon) and *ver.di* GPB (Berlin) have participated in

our project workshops in Stockholm, Brussels and Frankfurt. We would like to express our sincere thanks for the many impulses, advice and suggestions which we have received in this connection.

We wish this excellent handbook much success and a large readership. We are confident that it will also benefit the international cooperation of trade unions.

Peter Wedde

Director of the Europäische Akademie der Arbeit, Frankfurt/M.

Conny Reuter

Secretary General of SOLIDAR, Brussels

Introduction

Europe, the Greek budget, the common currency and not least the trade unions – they are all either ‘in crisis’ or even ‘suffering the worst crisis for decades’. Because this critical situation has now been ongoing for some time, the crisis metaphor is getting a little worn. But not much has changed about the controversial European political topics it seeks to describe: since traditional solution approaches no longer work as they once did, established institutions are suffering an unforeseen loss of legitimacy. At least for a political education initiative which considers itself critical, ‘times like these’ (to quote another standard phrase) also offer an opportunity. Seeming givens are challenged more offensively than usual in theory and in practice. It is precisely this questioning of apparent givens which can be seen as one of the main purposes of this training handbook with the inquiring title “Social Europe!?”. Although it certainly does not see a clear-cut way out of the current European crisis, it nevertheless advocates social, ecological, democratic and cross-border alternatives within its own modest means.

This training handbook is the result of a cooperation between the Europäische Akademie der Arbeit (European Academy of Labour – EAdA) in Frankfurt am Main and SOLIDAR, an umbrella organisation of charitable and workers’ educational associations based in Brussels, as well as the European Trade Union Institute, ETUI. In early summer 2010 the project partners set themselves the goal of developing common materials for the training of trade union officials on European politics in order to contribute to the establishment of a closer network of European labour and social academies. The preconditions for this project were good: as a trade unionist think tank recognised throughout Europe, ETUI has for years been a compiler of expertise on social and labour market policy in Europe which is well worth reading. Thanks to its excellent political contacts, SOLIDAR has links beyond the educational sponsors of its member organisations. And the EAdA within the Frankfurt University is finally the place for both the conception and practical testing and implementation of teaching concepts.

Founded in 1921 and closed by the Nazi regime in 1933, the academy reopened in 1946 and it has been its documented goal for decades to support representation of the interests of wage-earners in business enterprises and society. Since being renamed the Europäische Akademie der Arbeit, European aspects have become a particular focus of the curriculum. A year-long course offers employees with an interest in social politics the opportunity to attain an additional qualification for their future tasks in works councils or employee associations, trade unions, political parties and NGOs. In view of the need for a stronger European network of trade unions, there is also a growing need for in-depth educational materials which critically examine the European integration process from the perspective of employees. It is our impression that this applies not only to union-affiliated training in the Federal Republic of Germany, but equally to that in other European countries.

The political premises advocated by educational concepts are however dependent not only upon the institutional framework conditions but also on the time context in which they are created. This handbook was compiled between autumn 2010 and summer 2011 and thus in the middle of a severe crisis in the European integration process. The latest debt and currency crisis, which is itself a consequence of the real estate, banking, financial and economic crisis since 2007, is threatening to destroy a central project of the European Union in the form of the Euro. Although the political economic consequences of a collapse of the common currency – already being discussed as a possible outcome – are hardly foreseeable, it is possible to at least roughly estimate the price the European citizen will have to pay for averting the crisis. Comprehensive savings programmes, privatisation projects and wage cuts are already threatening the living standards of the unemployed, pensioners and em-

ployees throughout the European Union. At least in some southern European states, mass protest movements have already formed against this ‘crisis solution’ at the expense of people with lower income.

On the other hand, the enormous political frustration expressed in recent election successes and the political rise of the extreme right present trade unionists with important indicators of the path they must avoid at all costs when formulating their response to the crisis: welfare chauvinism towards transfer recipients, marginalisation of social minorities and the isolation of poverty refugees from Africa all serve to formulate a model of exclusive solidarity which distracts from the systemic causes of the crisis at the expense of the most disadvantaged groups of the population. In conscious disassociation from these tendencies, this training handbook aims to encourage its readers to participate in the collective effort to first examine the reasons for the social situation in Europe in order to, secondly, reveal alternative perspectives for social and democratic development.

Of course, a collection of training materials cannot claim to comprehensively cover all aspects of the politics, economics and society of the European Union. In view of the complexity of the subject-matter and the glut of literature available, but also mindful of the boredom any study of the European institutions normally engenders, we have decided on a different method. On the basis of specific case studies and selected problems, we want to give an insight into the contradictions, challenges and opportunities with which trade unionists are confronted when they stop seeing their problems from a purely national perspective and instead appreciate the trans-national links. If this educational process succeeds it also becomes clear why an academic-based methodology seems of little use to us: besides political economic aspects, there are always cul-

tural and moral dimensions to a practical problem too.

Even though we have, for reasons like these, refrained from designing a consecutive step-by-step curriculum which could only be used in context for teaching purposes, four headings did emerge in the course of the development under which the materials can be grouped:

Under the first heading *EUROPE – UNIFIED BUT UNEQUAL* come chapters dedicated to the dark side of a society re-oriented according to neoliberalism. The chapter dealing with *production chains* (pp. 15–23), is intended to stimulate independent and comparative research on global working conditions. *Peripheralisation* (pp. 24–34) uses the example of the poverty-stricken region of eastern Europe to invite discussion on how the lasting stabilisation of regional inequalities can be explained. The heading of *Casualisation* (pp. 35–44) covers phenomena which a whole generation of younger European employees find themselves facing: short-term employment contracts, low wages and social vulnerability. Finally, the chapter on the *Debt crisis in Greece* (pp. 46–55) presents examples to explain how crises are used for neoliberal restructuring, who benefits from this and what alternative solution scenarios are under discussion.

To complement this, the material under the heading *MANAGEMENT STRATEGIES* is intended to encourage discussion on how the capital investors and their individual factions treat Europe. The attempt to tailor business locations to global competitiveness at all costs is dealt with in the chapter *Competitive corporatism* (pp. 57–65). *Wage policy in the Eurozone* can be used as a basis to explain the framework into which trade union wage policy has been forced by the European Central Bank (pp. 66–73). *Lobbyism* on the other hand uses the EU Chemicals Directive REACH as an example to demonstrate the power of industrial lobbyism in Brussels (pp. 74–83).

Employability deals with corporate strategies to engender guilt in individuals for any lack of success on the labour market (pp. 84–91).

The particular importance of the subject of *OPEN ISSUES ON MIGRATION* is shown by the fact that this subject has its own heading. The chapter on the *EU border regime* (pp. 93–105) aims to encourage a critical reflection of the methods by which the *Fortress Europe* marginalises poverty refugees. The scandalous conditions under which tens of thousands of undocumented migrants work in the southern Spanish vegetable production industry are the subject of the chapter *Periphery and the sea of plastic* (pp. 106–113).

Finally the chapter entitled *INTERNATIONALISM IN THEORY AND PRACTICE* discusses action strategies and alternative action in more detail. Whereas the chapter *Social Europe* (pp. 115–123) analyses various historic terms for consolidated collaboration, the following sections deal with problems which have been particularly controversial in current debates on past years. *Posted workers* explains the risks inherent within a possible nationalisation of social conflicts (pp. 124–130). Then *European Works Councils* explores the opportunities and risks of the tentative approaches towards a policy of codetermination at European level (pp. 132–142).

As stated at the outset, this training handbook was created to be used not only in the context of training representatives of employee interests, but also for use within such representative bodies. So the group at which it is aimed consists first and foremost of team leaders, training representatives and educators who teach in European trade unions or sociopolitical initiatives of civil society. The work of this target group in turn deals with the education of (adult) participants who already have considerable practical experience with trade union or union-affiliated work. They are familiar

with the problems that international union work brings, but are undaunted by it and instead show a strong interest in related options for further qualification. In the final analysis, this political interest is actually more important than age, level of formal education or current professional status.

For team leaders who hold training events with participants like these, this handbook offers a wide range of options for organising workshops. The chapters can be used independently of one another and if necessary also individually. The fact that the ensuing workshop situations can also vary in length is due not only to the variety of methods employed but also to the specific combination of the various chapters. So team leaders should allow enough time in advance to match the topics to the target group and incorporate them into the learning continuum.

The handbook thus credits both team leaders and course participants with a high level of independence. Thus, very few of the suggested workshop ideas follow the traditional frontal format of team leader presentation. It seems far preferable to us and also more satisfying for all those involved if small groups explore topic areas independently. We want to encourage open debate on controversial issues and also see this practice as a small contribution to improving the ability for critical reflection and a revival of union democracy.

Despite their heterogeneity, all the chapters start with an introduction which serves as a guide to the topic along with a brief summary of the text passages available. This is followed by a background text which usually puts the topic under discussion in a political context, provides important additional informa-



tion and which can, if necessary, also be distributed to participants. Some of the literature references, which will probably prove most useful, can be found directly after the background text, all the rest in the bibliography at the very end of this handbook. The section entitled Workshop ideas presents ideas for the didactic and methodical organisation of the material: text work, role play, learning research, creative writing, utopian phases and media analysis of images and films. For this purpose you will also find handouts at the end of each chapter which can be used as a template for copies.

We would of course welcome enthusiastic use of the training materials and would be equally pleased if team leaders and team participants could give us feedback on their practical experiences of implementing individual workshop

units. Should the training material provide an incentive to greater networking and integration of course units at various European labour and trade union academies, that would be very much in keeping with the compilers' wishes. These compilers include, besides the authors, our project partners from SOLIDAR and ETUI, our colleagues at the EAdA in Frankfurt am Main, students of the 75th course with whom we were able to organise a great project week, Andreas Hollender from DruckBetrieb in Cologne and participants of the international workshops whom we were lucky enough to meet in the course of this project. We would like to express our thanks once again for the advice, assistance, tips, improvement suggestions and criticism.

Birgita Dusse and Malte Meyer
Frankfurt/M., July 2011



Europe: Unified but unequal

Division of labour: International, but unequal?

On the study of global production chains

★ Introduction

As is easily recognised by the expansion of organic grocery stores and organic products, a new consumer norm has been gaining ground in the middle classes of the global north for some years now. It is a norm claiming to be both health-promoting and sustainable. The 'Lohas', as these supporters of the *Lifestyles of Health and Sustainability* are semi-affectionately known, do tend to have above-average incomes and take more flights than most other people, but remain convinced of the moral superiority of their purchasing habits. Now there is even a brisk trade in indulgences to ease the guilty green conscience: people travelling by air can for an additional charge ensure that somewhere in the world trees are planted to absorb at least a little of the CO₂ emissions generated by the flight.

The extent to which the ecological implications of personal consumption are still a topic in this discourse is indicated by a marked suppression of the social premises and consequences

of the international division of labour. The Lohas seem much less interested in who works what hours for what level of wages, at what risk to their health and with what rights to produce the products they consume than they are in knowing whether the kiwis that come from New Zealand and are shipped to western supermarkets are entirely harmless for their own bodies. Only in a few exceptional cases are international working conditions an issue, for instance when in 2010 at FoxConn in Shenzhen, China, what is currently the largest factory complex in the world with its 200,000 workers, there was a wave of suicides amongst employees. These acts of desperation attracted attention mainly because FoxConn produces the iPhone – the designer product that stands out among all the rest as by far the coolest there is.

Unionists are becoming increasingly aware that knowledge of the structures of the international division of labour is useful not only in producing scandals, but can also help establish political networks along the chains of production. One example of such an effort is

the *Transnationals Information Exchange*, an international association of grassroots activists who use the opportunities of union intervention to improve working and living conditions (<http://www.tie-germany.org/index.html>).

In the USA, there has been discussion on the potential of “strategic research” for years and a belief that it could play an important role in labour disputes. This chapter of the training handbook is intended to encourage participants to gather their own experience of research into global working conditions.

It would of course be asking too much to expect participants to produce research results on the structure and functioning of a global commodity chain overnight. Even in the case of “simple” products these structures are so complex that the chain tends to be endless – suppliers are after all no less important than direct manufacturers or the suppliers of suppliers. On top of that, even the search engine technology is not powerful enough to obtain the confidential company information from private or even state companies which is needed to investigate actual working conditions. All too often, workers are threatened with sanctions if they speak out about poor conditions at their company and if they do speak out anyway it is not always clear

what proportion of the public will even show an interest.

Regardless of these difficulties, the means provided by the Internet do now make it possible to highlight very many more of the links in a commodity chain than was the case for the normal consumer in pre-digital times. Unionists and other political activists should take advantage of this opportunity and inform themselves via the Internet for the sake of international cooperation on the circumstances and persons involved in production of items used or further processed in their own business enterprise. This chapter of the handbook intends to provide an incentive as to how the international division of labour can be made the topic of a workshop and how participants can find out for themselves about the inequality of working conditions. As an introductory piece of background information, a prefix to the Handouts section features a text summary that represents a good example of a piece of product research: “The world travels of a fleece vest” by Wolfgang Korn. This is followed by detailed suggestions and some leading questions which should help participants initiate a search of their own. At the end of the chapter there is a comprehensive list of links which may be useful in finding specific and reliable information.

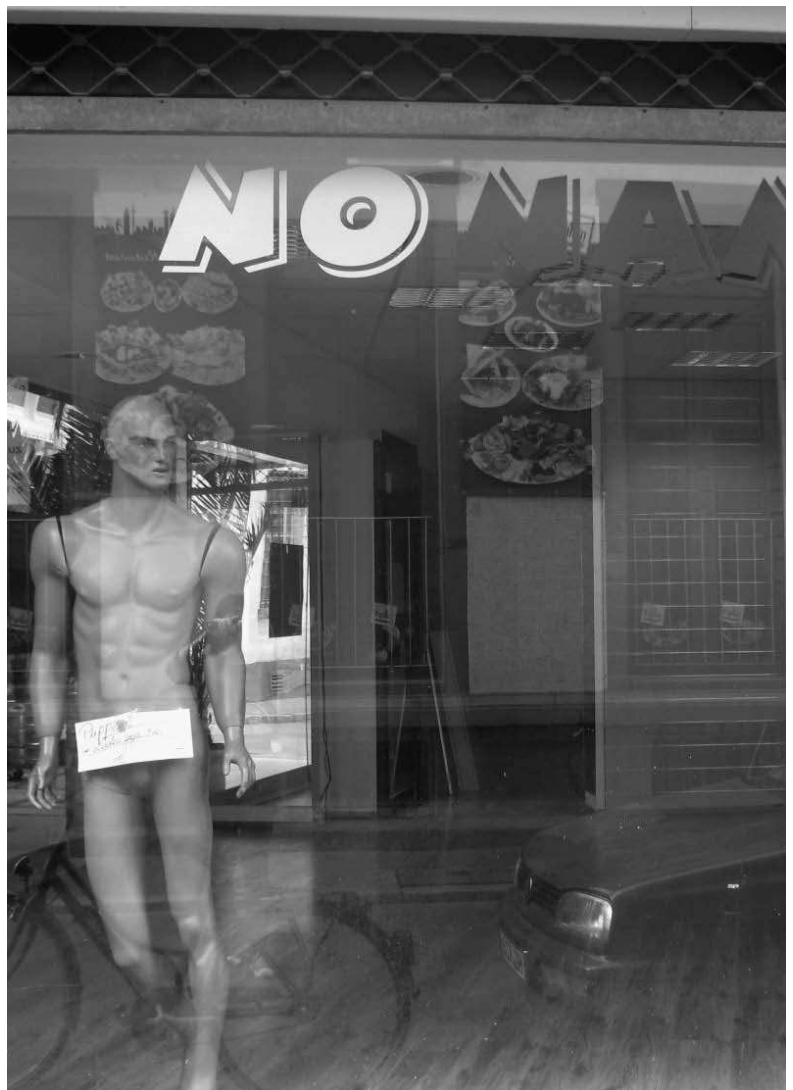
★ Background

On a tight budget, journalist Wolfgang Korn buys a fleece vest for eight Euros at a textile discounter in late autumn 2005. It is a great shade of red, but cheap and only intended to be used to keep Korn from freezing in his unheated office. Two years later, while considering a book project on the topic of globalisation, he sees a short TV report on African refugees who are stranded with their small boat in Tenerife. One of the refugees is wearing a fleece vest that is just the same shade of red as the one that Korn's more style-conscious wife threw into a clothes recycling container two months ago. The journalist has found his story – he decides to research the product history of a synthetic fibre vest from obtaining the raw materials to recycling. This very readable book for young people, “The World Travels of a Fleece Vest” (“Weltreise einer Fleeceweste”, Korn 2008) is the result of that research and as such, an excellent story about how international division of labour or “globalisation” can be understood and described today.

Fleece, long prized as a synthetic fibre suitable for clothing manufacture (warm, soft, light, durable, odourless and quick-drying) consists of polyethylene. Like many other synthetics, polyethylene is manufactured from products of the crude oil extracted, for instance, off the coast of Dubai. The colossal wealth of the Emirates comes on the one hand of course from these oil reserves. But on the other hand, it also comes from an army of low-paid foreign workers who do all the actual work for upper class Gulf Arabs. The young men from poor Asian or North African states do not earn more than 150 to 250 Euros per month on the drilling rigs and construction sites, in the restaurants, as transport workers or street cleaners. Their work permits are usually temporary. A good portion of their wage is sent to family members in their countries of origin, for whom what are known

as the ‘remittances’ are an important source of income.

As soon as the oil extracted by the drilling rigs in the Persian Gulf is separated in an initial refining process from the salt water, gas and other components, it is pumped as crude oil into big tankers, some of which can transport up to 350,000 tons of the black gold. The *Madras*, the ship Wolfgang Korn accompanied on its journey from Jebel Ali Port in Dubai to Chittagong, the largest port in Bangladesh, is however, only a medium-sized tanker. It is piloted by a Dutch captain and has a crew of 22 others, primarily Philippines. Raul, the Portuguese ship's engineer on the *Madras*, walks a distance of no less than 12 kilometres a day on his deck patrols.



Working in the petro-chemical industry complexes of the port city of Chittagong represents enormous risks to human health and the environment. Refineries which were shut down in Europe decades ago as a result of more stringent health and safety regulations, were simply disassembled and rebuilt in Bangladesh. Workers who don't earn enough money to escape from the local slums campaign regularly for higher wages and just as regularly protest against the high risk of work accidents and occupational diseases. The raw materials for the polyethylene needed for fleece production consist of used plastics as well as the crude oil. The pressed balls of plastic waste from rich countries is shredded here in Bangladesh and then sorted by hand before being put into the furnaces. Then a machine turns the hard polyethylene mass into thin polyester threads. Before being transported on by lorry, the synthetic fibre is roughened so that later the fleece will be dense and fluffy.

In Dhaka, a megacity which now has possibly 14 million inhabitants, work at an industrial weaving mill creates strips of material that can be rolled into 40 kg balls. Small transporters bring these balls to a dye-works which poisons the entire area with its red, or sometimes green waste water. Young factory workers are forced to climb with their bare hands and feet into the basins or vats filled with poisonous solutions, acids or dyes again and again to deal with production disruptions. The strips of brightly coloured fleece material are then further processed into pieces of clothing in a local sewing room.

This working tempo, the 12-hour days, the noise from the sewing machines and the shouting of the supervisors in the dim, hot and stuffy textile factory can only be tolerated by a particularly tough category of workers: young women between 16 and 30. For this arduous work in a one hundred-hour week, a good seamstress will receive a wage equivalent to approximately EUR 4.00

– so the labour for sewing a fleece vest just costs a few cents.

After completion the clothes are loaded onto a container and exported from Chittagong by freighter. The goods make a stopover in the highly-automated mega-port of Singapore, where the container with the red fleece vest is loaded onto a huge container carrier by a coastal cargo boat using highly sophisticated logistics. This ship, built in South Korea, brings its shipment of 8400 containers to the consumer markets of the affluent West. After a 20-day sea passage through the Strait of Malacca, the Suez Canal and the Strait of Gibraltar, the ship reaches the port of Hamburg and the fleece vest has now travelled a total of 25,000 kilometres, but only generated transport costs of 5 to 10 cents.

A lorry driver drives the container to the distribution centre of the textile warehouse close to Gütersloh, where the fleece vest is given its price label: EUR 9.95. While labelling and sorting the goods for the store, a warehouse worker complains to her colleague, "I earn six Euros an hour. That means I've got a gross monthly wage of less than 1000 Euros. Then income tax, health insurance and pension contributions come off it. That leaves roughly 750 Euros. Out of that comes the rent, electricity and gas. So that leaves me roughly 350 Euros a month." (Korn 2008: 103) A fleece vest for just under ten Euros is perhaps just about affordable under those circumstances, but a pair of jeans for 80 Euros on the other hand is quite a stretch. So the clothes sell quickly. It's only the red ones that don't sell well and have to be marked down to EUR 8.00, and then Wolfgang Korn buys one. The red vest did indeed get him through the winter in his cold office, but after a year and a half, Korn's fleece is already pretty worn out and his wife finally throws it into the old clothes container. But what does 'finally' mean? On an industrial estate on the outskirts of Hanover, the fleece vest begins its second reincarnation. Textile

recycling is big business and so unskilled workers sort out everything that is past being included in any self-respecting wardrobe. Good condition clothes are then sold to local second hand shops while clothes that are not so well-preserved are exported to Africa where they drive down the market prices for locally produced textiles. However, the middlemen don't have to worry about the sales profits of the old clothes: in Senegal, for example, there are enough small traders who live on the resale of used textiles. They hope that there will be someone who will buy a two Euro vest on the market in a small town, even if it is red and has a stain – maybe it's a lucky colour?

In the story by Wolfgang Korn, the 18-year-old Senegalese boy Andrame is such a person. Since there is not enough work in his village and peanut cultivation, for example, is no longer worthwhile due to the drop in prices on the world market, he decides to head to Europe to earn money there. He borrows 350 Euros from friends and family to pay the escape agent who promises the droves of people who want to leave safe passage to Europe on a small fishing boat. From the small amount of money that he has left

before he leaves, Andrame decides to buy himself a vest and finds on the market the same one that Wolfgang Korn once wore.

With lots of luck and under great deprivation, Andrame survived the incredibly risky crossing. After six days of uncertainty, the refugee boat reaches the holiday island of Tenerife, where a European tourist films the new arrivals with his camera. The tourist doesn't feel too good about this and so he rejects a BBC reporter's offer to pay 500 pounds for the film material. He is happy with just a beer and a little bit later, TV viewers are watching stranded African refugees and that red fleece vest, whose path from production to consumption was researched in the book by journalist Wolfgang Korn.

In a workshop context, there is of course not enough time to reconstruct the history of a commodity in such detail. Nonetheless, the workshop participants should acquire skills through independent Internet research which are of great advantage in the field of NGOs and unions. In the process, they'll get a very vivid impression of the opportunities and restrictions offered by the Internet as an information medium.

Further reading

Karin Fischer / Christian Reiner / Cornelia Staritz (Eds.) (2010): *Globale Güterketten. Weltweite Arbeitsteilung und ungleiche Entwicklung* [Global commodity chains. Global division of labour and unequal development], Vienna.

Naomi Klein (2001): *No logo! Taking aim at the brand bullies*, New York.

Wolfgang Korn (2009): *Die Weltreise einer Fleeceweste: Eine kleine Geschichte über die große Globalisierung* [The world travels of a fleece vest: A minor tale about major globalisation], Berlin.



★ Workshop ideas

At the supermarket or a small retail shop, look for an everyday consumer product, such as a food product, a textile fabric or a household appliance. Note down all the manufacturing and transport information which you will find on the packaging or product (Made in China, Imported from Greece, Ingredients, 100% cotton, etc.). If you get the opportunity, ask which wholesaler supplies the goods to the store and which form of transportation they use. If you're feeling daring enough, maybe you can even ask the sales assistant about their hourly wage, their working hours or their working conditions!

Try to round out your information by Internet research if you can. Find out more firstly about suppliers of the raw materials, manufacturers and transporters and secondly fill in any gaps in your knowledge by reference to the manufacturing history comparable products will usually have gone through when they reach the final consumer. You could also ask for more detailed background information from a company or a union activist for the branch.

Create a table with the individual links of the production chain which shows any gaps in your knowledge as well as the data you have already collected. Don't get irritated that you probably won't be able to easily find out the manufacturing history – it's quite understandable in light of the degree of specialisation in the worldwide division of labour! Still, try to acquire at least five relatively reliable pieces of information about suppliers, manufacturers and transporters.

Now you should put the information you have collected about components, sites and companies in relation to the work that was necessary to manufacture the goods and get them to the consumer. Only in a few cases will you be lucky enough to find out about the production history of the very product you're holding in your hands. But don't let that stop you collecting circumstantial evidence. When you're holding a pair of Lee jeans, but you can only find information about seamstresses in Egypt who work for Levi's, that is still interesting information about the world travels of your item of clothing.

Consult the Internet resources listed on the handout in addition to the sources you have found useful. You will already be familiar with many of them, but not necessarily all of them. Most have a search function with which – with a bit of imagination – you can find detailed information on the working and payment conditions in certain countries, branches and production stages. Of course you can also contact unionists or trusted colleagues who you feel could provide you with useful information directly per e-mail. Don't forget that official rights of association and rights to strike, as well as any labour disputes are part of the interesting information in this sector or field!

Have you been able to obtain information about the relevant working conditions for at least three links in the production chain you studied? Well done! Summarise your information and prepare a presentation that informs your colleagues not only about positive research results and promising search strategies, but also errors and dead ends, because these are important too in understanding the complexity of

global division of labour and the difficulty in presenting it. Include in your presentation a presumption about how many of your findings are known to the general public!

After the presentations, discuss and compare your research results. Which result surprised you the most? What differences did you notice particularly in relation to the working conditions? What do the workers of various countries have in common, apart from the fact that they work on the same type of product? How easy is it, in your view, to get hold of information about working conditions in the broadest sense? And how difficult did you find reconstruction of a specific product history? Is the commodity chain you studied a suitable example for understanding the circumstances of worldwide inequality and presenting the issues involved? Consider together how much of the final price of a product remains for the owners and workers of the various production processes, but also, for instance, how much is lost to state-raised taxes! What generally happens to the products once they are no longer needed by the initial consumers?

Discuss against the background of your research how one could deal with corporate strategies to give themselves a greener or more social image in light of the significant protests! Is it useful to call for more consumer awareness in more affluent countries? Do you see in this a risk of further discrimination against low-income groups because they often simply can't afford more expensive fair trade products? What opportunities are available to unionists to generate publicity along chains of production and organise solidarity?

★ Handout Internet resources

Starting points for desktop research

LabourStart:	http://www.labourstart.org/
LabourNet Germany:	http://www.labournet.de/
European Industrial Relations Observatory Online:	http://www.eurofound.europa.eu/eiro/
Google Books:	http://books.google.com/
Google Scholar:	http://scholar.google.com/
Wikipedia German:	http://de.wikipedia.org/
Wikipedia English:	http://en.wikipedia.org/
Wikipedia French:	http://fr.wikipedia.org/
Wikipedia Spanish:	http://es.wikipedia.org/

Collections of interesting links

Work in Africa:	http://library.stanford.edu/depts/ssrg/africa/labor.html
Work in Asa and Oceanica:	http://www.3cr.org.au/aggregator/sources/683
Work in Europa:	http://www.eurofound.europa.eu/eiro/links/euintunion.htm
Work in Latin America:	http://lanic.utexas.edu/la/region/labor/
Work in North America:	http://www.jaysleftist.info/

Full-text archives of newspapers and journals with free access

The New York Times (daily, USA):	http://www.nytimes.com/
The Guardian (daily, UK):	http://www.guardian.co.uk/
Der Spiegel (weekly news magazine, FRG):	http://www.spiegel.de/international/
Die Zeit (weekly newspaper, FRG):	http://www.zeit.de/
Le Monde Diplomatique (monthly, F):	http://mondediplo.com/
In These Times (monthly, USA):	http://www.inthesetimes.org/working/
Monthly Review (monthly, USA):	http://monthlyreview.org/

International trade union federations*

International Confederation of Free Trade Unions:	http://www.icftu.org/
World Federation of Trade Unions:	http://www.wftucentral.org/
Global Unions:	http://www.global-unions.org/
European Trade Union Confederation:	http://www.etuc.org/
Building and Wood Workers International:	http://www.bwint.org/
Education International:	http://www.ei-ie.org/
Public Services International:	http://www.world-psi.org/
International Federation of Chemical, Energy, Mine and General Workers' Unions:	http://www.icem.org/
International Textile, Garment and Leather Workers Federation (a Global Union Federation):	http://www.itglwf.org/
Uniting Food, Farm and Hotel Workers World-Wide:	http://cms.iuf.org/
International Federation of Journalists:	http://www.ifj.org/
International Transport Workers' Federation:	http://www.itfglobal.org/
International Metalworkers' Federation:	http://www.imfmetal.org/
UNI – Global Union:	http://www.uniglobalunion.org/

* On these pages – usually under headings like “affiliates” or “members” – you will also find links to various member organisations

International organisations, political initiatives and foundations

International Labour Organization	http://www.ilo.org/global/lang--en/index.htm
European Trade Union Institute:	http://www.etui.org
Trade Union Advisory Committee to the OECD:	http://www.tuac.org/
attac:	http://www.attac.de/
amnesty international:	http://www.amnesty.org/
Human Rights Watch:	http://www.hrw.org/
SOLIDAR	http://www.solidar.org/
Greenpeace:	http://www.greenpeace/international/en/
World Socialist Web Site:	http://www.wsws.org/
Clean Clothes Campaign:	http://www.cleanclothes.org
Verité. Fair Labour. Worldwide:	http://www.verite.org/
PC Global (Advocating workers' rights and environmental justice in the computer industry)	http://pcglobal.org/
Weed (World economy, ecology, and development)	http://www.weed-online.org/
China Labour Bulletin:	http://www.china-labour.org.hk/en/
FIAN – Human Rights against Hunger:	http://www.fian.de/online/
Wildcat:	http://www.wildcat-www.de/
express:	http://www.labournet.de/express/index.html
Friedrich-Ebert-Foundation	http://www.fes.de
Hans-Böckler-Foundation	http://www.boeckler.de
Rosa-Luxemburg-Stiftung	http://www.rosalux.de
Heinrich-Böll-Stiftung:	http://www.boell.de

Peripheralisation

Eastern Europe: “On the way” or permanently peripheralised?

“We will not become part of Europe if we build up a strong trade unionist movement here in Poland.”

Solidarność Chairman Lech Wałęsa at the beginning of the 1990s on the role of his trade union in post-Communist Poland (quoted from Hofbauer 2007: 112)

Introduction

Since the latest round of “Eastward enlargement”, there are among the 27 Member States of the European Union (besides the former GDR) now ten others from the former *Eastern block* – from south to north these are Romania, Bulgaria, Hungary, Slovenia, Slovakia, the Czech Republic, Poland, Lithuania, Latvia and Estonia. In many of these states accession to the European Union was linked to hopes of finally achieving western European levels of affluence after decades of a state socialist economy of shortages and a difficult transition phase. In reality, the transformation to capitalism in many states has produced a class of profiteers of the political turnaround whose size varies from country to country. In addition, the (capital city) regions and growth centres such as Prague and Bratislava are now hardly discernible from their equivalents further west.

But at the same time many areas of eastern Europe have seen the spread of sometimes extreme poverty. Austrian eastern Europe expert Hannes Hofbau-

er, for instance, observes that, “Anyone travelling into the Polish region of Lower Silesia towards Walbrych, Upper Silesian Chorzow, Hungarian Tatabanya, through central Slovenia to Martin or even into Romanian Jui valley region needs no academic evidence of the social rights deprivation which has seized the people there. Anyone not content with that can just take a look at the unemployment figures which are shown as 30 to 60 percent in these regions.” (Hofbauer 2007: 277)

The material presented in this chapter is intended to foster an understanding of the contradictory process eastern Europe has undergone in the years since the political turnaround or ‘Wende’. But they are also intended to question how accession to the European Union has affected them and will continue to affect them in the future. In the background text we highlight the inequality of living standards officially acknowledged by the European Union and briefly introduce two models for explanation: the mainstream modernisation discourse and the opposing alternative peripheralisation approach. Then we will present ideas on how the issue of the alleged or actual peripheralisation of eastern Europe can be tackled in trade union training. The necessary handouts on three central peripheralisation mechanisms, a comparison of theories, perceptions of quality of life in various European cities and the regional variations in levels of poverty risk, round off this chapter.

★ Background

As the European Union itself acknowledges in various official reports and statements – for instance on the subject of “cohesion”, the official EU term for social solidarity – there is no reason to talk about equal or even approximately equal living standards within the Union. Vast social contradictions are expressed therefore not only in income disparities within a member state but also in this and other respects even between different regions. Thus since Eastward enlargement the gross domestic product per head within the EU, for instance, varies even more than before. Although this statistic says nothing about actual distribution of income within a region, it does at least indicate the existence of a massive socio-spatial gap. In large sections of Romania, Hungary, Poland and Bulgaria, GDP per capita in 2008 was less than 50 percent of the EU average whereas, in many regions of northern Italy, Austria, West Germany, the Benelux states and southern England (so the areas economic geographers have termed the *Blue Banana*) it was at least 25 percent above the European Union average (European Commission 2010: 12).

Although there is often also – or even especially – a very rich upper class in countries with a low GDP, there is also a very much higher level of poverty. Thus, figures for persons at risk of poverty range “from below six percent of the population in Trento, Praha and Jihozápadat to over 35 percent in Ceuta and Extremadura in Spain and Campania, Sicilia and Calabria in Italy” (European Commission 2010: 107). Like those for relative poverty, the figures for absolute poverty also differ widely between the member states of the European Union. “In Luxemburg, Sweden, The Netherlands and Denmark less than two percent of the population are affected by severe material deprivation, whilst the proportion in Romania and Bulgaria is over 30 percent.” (European Commission 2010: 109) As a comparison: in the Federal Republic of Germany and in France the corresponding proportion is seven percent (EuroStat 2010: 143).

The risk of death before the age of one is six times higher for a baby born in Romania than one born in the Belgian region of Brabant Wallonia (European Commission 2010: 76). The average life expectancy for men in the central Italian region of Le Marche is 80 years, whereas



in Lithuania it is just 65 (European Commission 2010: 73). And only 25 percent of Bulgarians and Romanians are satisfied with their healthcare, whereas 90 percent of Austrians, Dutch and Belgians are. For economic historian Hannes Hofbauer, such figures indicate not an alignment to western living standards but rather peripheral integration. The few regions which have achieved western standards must be set against all the others in eastern Europe, the majority of whose inhabitants have to manage with far less. "The social schism which has opened up in the last few years between the few rich people and the many poor people in eastern Europe is also correspondingly visible within regions." (Hofbauer 2007: 279)

Dominant explanation model: catch-up development

Another extreme inequality in living standards evident also on a regional level is not denied by the European Union, but on the contrary, it is expressly acknowledged. In important founding documents and treaties, the union is therefore pledging to pursue the goal of a long-term reduction of socio-spatial inequalities. Thus for instance the *Treaty on the Functioning of the European Union* (TFEU) states: "In order to promote its overall harmonious development, the Union shall develop and pursue its actions leading to the strengthening of its economic, social and territorial cohesion. In particular, the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions." (Article 174 of the TFEU)

As a means of inner-European regional politics, the Single European Act of 1987 names structural instruments such as the *European Fund for Regional Development*, the *European Social Fund* or the *Cohesion Fund*. Just how weak their financial resources are becomes clear by a comparison with the infrastructural investment

made in the five former East German states after German reunification. "In 1991 to 1995 the Federal government, regional governments, local authorities and social insurance payers invested an amount equivalent to EUR 450 billion in the project 'Aufbau Ost' [development of the east], in order to integrate 16 million East Germans into the West German federal system. The European Union as a whole budgeted EUR 40 billion for the years 2004–2006 in order to – as they put it – bring 75 million people 'home to Europe'." (Hofbauer 2007: 280)

Apart from the comparatively meagre financial support, the European Union's regional political approach is also based on the assumption that the inner-European structures of social inequality are above all development differences which can be bridged by specific development policy. With this analysis of the causes, the EU is falling back on a theory which has already failed in the history of the postcolonial countries of Asia, Africa and Latin America, in the form of the "development promise". On the basis of an evolutionary stage model, it is not only desirable but also possible for these states to imitate the model of the "developed industrialised countries".

Peripheralisation approach

Just as the development promise for the Third World was plunged into crisis in the 1970s, its application in the former socialist states of the "Second World" generates a series of problems and issues. Do they really only have to introduce "democracy and the market economy according to the Western model" to become just as affluent as the western Europeans? Was state socialism not basically also an attempt at catch-up modernisation? And does capital investment from the West really permeate by the alleged "trickle down" effect to reach the lowest levels of society? Is the development of certain regions perhaps not actually dependent on the under-development of others? Did the global market and the

World Bank not perhaps also produce a regeneration of the structures of international inequality?

Academics and activists working within political Third World initiatives have been looking for answers to questions like these since the 1970s. Leading proponents of what is known as the world-system approach (such as Immanuel Wallerstein, Giovanni Arrighi and Samir Amin) assume that the history of the capitalist world system created in the 15th century is characterised by a relative consistency of structures of global inequality. A small number of affluent states in the north are set against a much larger number of southern regions of the world (with far greater levels of widespread poverty) which are in a relationship of subordinate dependency to the former. Unlike the theory of dependency, which derives from this situation a simple contrast of cores and peripheries created by unequal exchange, the world-system approach introduces the category of the semiperiphery which can also be applied to the status of large sections of eastern Europe.

On a global scale, semiperipheries firstly fulfil a political function: in a similar way to the middle classes of a class society, they buffer the contradictions between a rich minority and a poor majority. In addition, they fulfil the economic function of absorbing superfluous capital from the cores. In comparison to the peripheries of the world system however they can draw some advantages from the global distribution of work (for instance by means of importing capital or exporting manpower). Such advantages are however generally not sufficient to open up the exclusive club of the core states. Because due to their economic affluence, these are structurally better equipped to draw long-term benefit from the permanent process of creative destruction which is inherent within the hierarchical dynamics of the world system and which is what has made this so stable over such a long period of time. Due to its essential

exclusivity, the 'rise' of a few semiperipheral states to the core group ensures (as does the decline of other states of peripheral status) that the states of the semiperiphery remain in a privileged form of subordination (see Arrighi 1990).

Further reading

Hannes Hofbauer (2007): EU-Osterweiterung. Historische Basis – ökonomische Triebkräfte – soziale Folgen [EU eastward enlargement. Historical basis – economic drivers – social consequences], Vienna.

Giovanni Arrighi (1990): The Developmentalist Illusion. A Reconceptualization of the Periphery, in: W.G. Martin (Ed.): Semiperipheral States in the World-Economy, Westport, pp. 11-42

PROKLA 128 (2002): Peripherer Kapitalismus in Europa [Peripheral capitalism in Europe], Edition 3/2002 of Zeitschrift für kritische Sozialwissenschaft

★ Workshop ideas

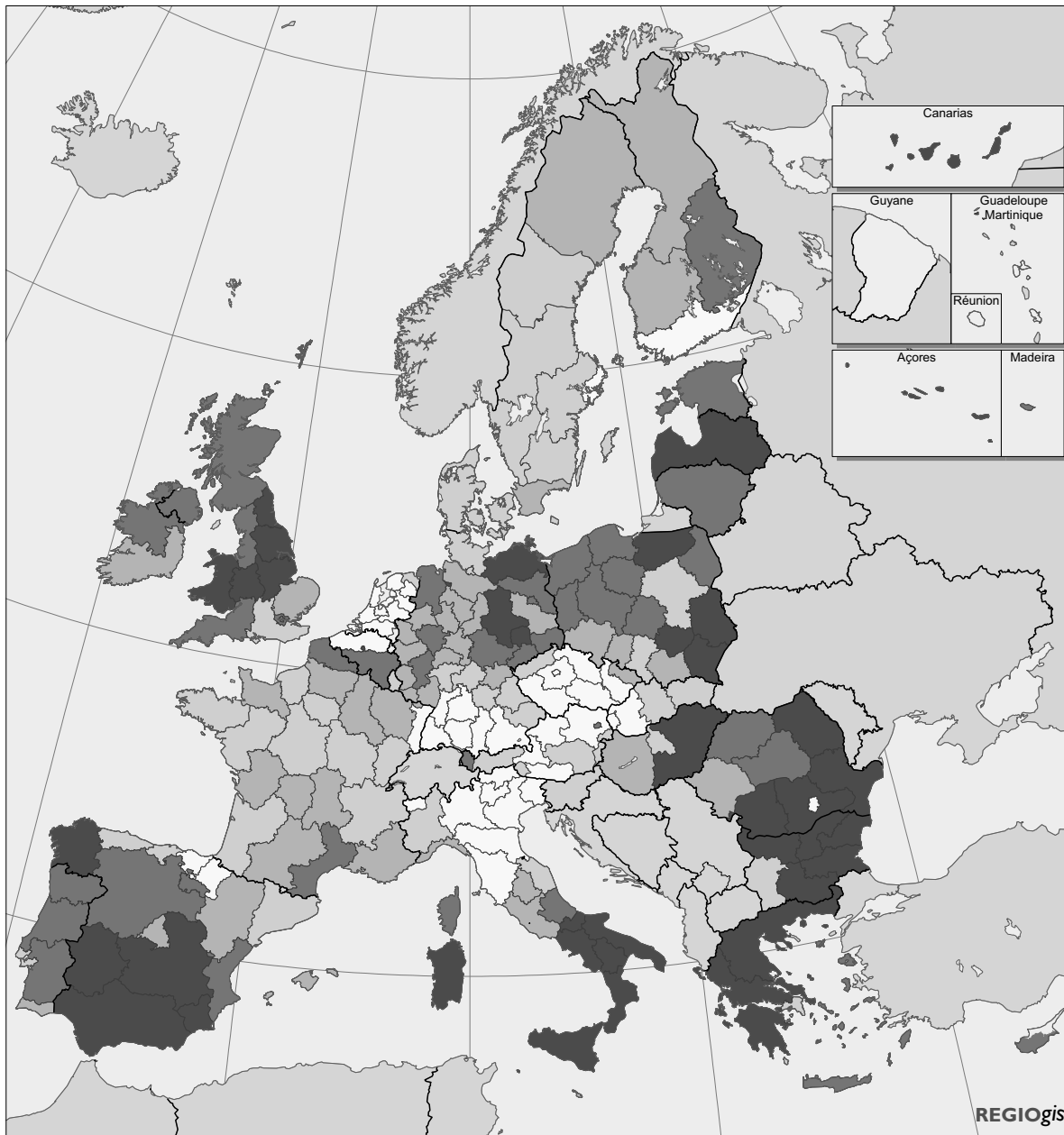
Working with maps: A well-known, traditional piece of advice for fans of empirical social research says never to believe any statistics you haven't falsified yourself. What is particularly controversial in political terms is what is known as social accounting. Analyse as thoroughly and critically as possible with the participants the map in Handout 1 – it is taken from the *Fifth report on economic, social and territorial cohesion* by the European Commission from 2010. What explanatory value does it have for an analysis of social inequality in Europe? Point out in particular to the participants the significance of the categories “equivalised disposable income”, “national median”, “risk of poverty after social transfers”. Consider together which social problems are revealed by the map and which are concealed!

Working with diagrams: Handout 2 contains a graphic representation of the results of a statistical survey on the inhabitants of various European cities as to their satisfaction with selected aspects of their quality of life. Let the participants assess the vastly differing statements on quality of life and thus also the various forms of individual heptagons and ask them which results they find particularly surprising or completely unsurprising. What contribution do the participants think such diagrams can make to an assessment of social inequality in Europe?

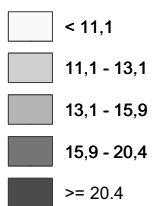
Learning by research: Ask the participants to search freely available Internet archives of newspapers and journals (in English-speaking countries for instance <http://www.guardian.co.uk/> or <http://global.nytimes.com/>) for reports dealing with eastern European living and working conditions. Examine with them one such report with regard to the inequalities it discusses and make a comparison with the mechanisms outlined in Handout 3: Are there indications that peripheralisation is also an issue for the case outlined by the journalist here? Are there other indications of peripheralisation? Summarise how the transformation has affected the living and working conditions of winners and losers. What additional information do you need to be able to better evaluate events in the region discussed? Consider together how you could obtain the required background information.

Comparison of theories: You have already discussed with the participants various issues which are connected with the time of the transformation in eastern Europe and now you want to move on to an analysis of the causes? Handout 4 contains a highly schematic comparison between the modernisation discourse and peripheralisation approach. Encourage the participants to think about the strengths, but also the weaknesses, that are evident in the two models to explain the situation in eastern Europe. According to the results of discussion among the whole group, what elements would a theory need to incorporate to adequately take account of the particular regional characteristics?

★ Handout 1: Regional differences of risk-of-poverty in Europe



Population at risk of poverty after social transfers, 2008
% of total population



EU-27 = 17

At-risk-of-poverty is defined as having equalised disposable income (i.e. adjusted for household size and composition) of less than 60% of national median. The Europe 2020 target is to lift at least 20 million people out of the risk of poverty and exclusion. This is defined as people who are either at risk-of-poverty and/or severely materially deprived and/or living in households with very low work intensity.

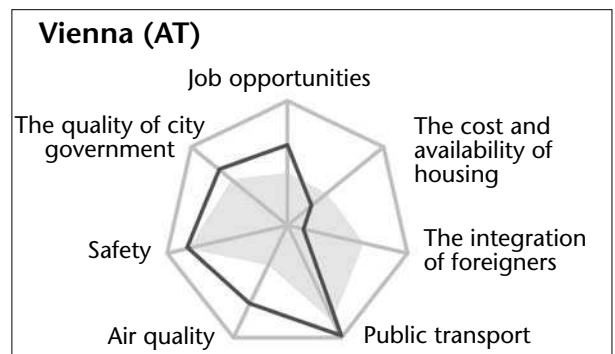
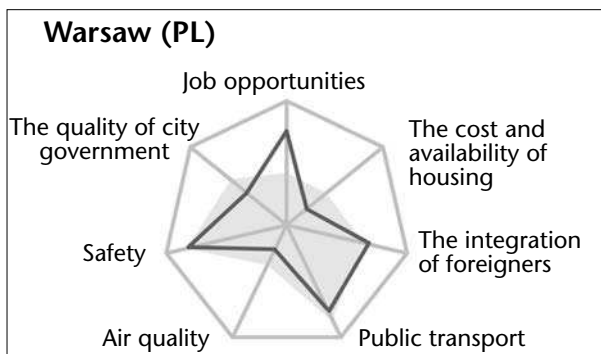
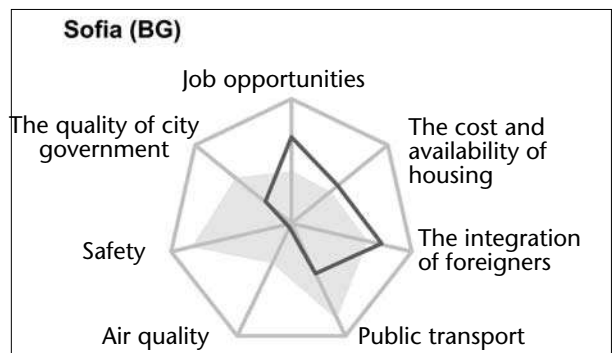
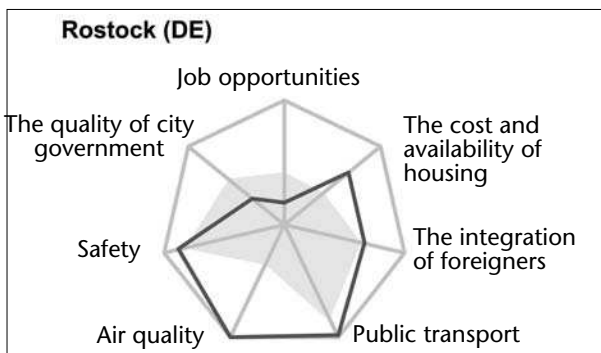
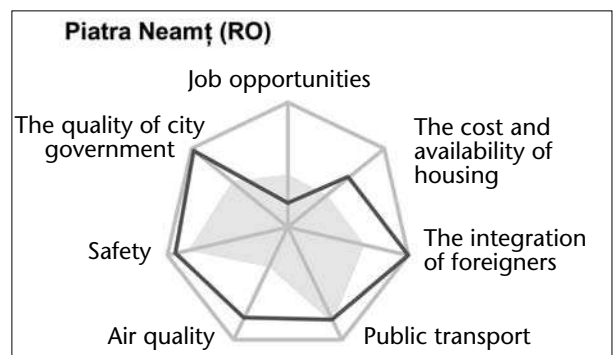
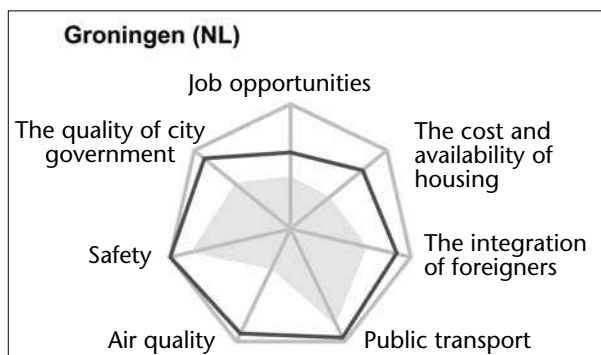
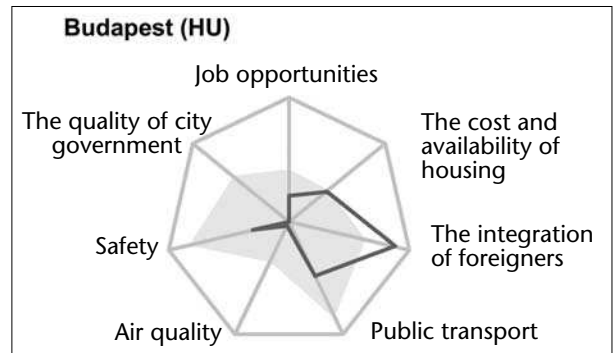
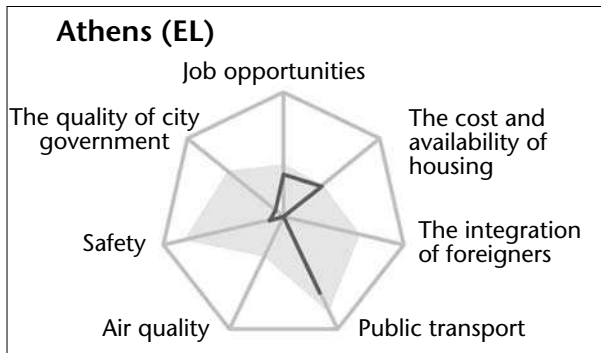
Source: DE: 2008 data Microcensus - DESTATIS; FR: 2007 data; PT: based on HBS 2005; NL: CBS - 2008; UK: Households Below Average Income - 2007/09; all other data EU-SILC.



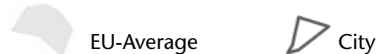
© EuroGeographics Association für administrative Regionsgrenzen

Source: European Commission (2010): Investing in Europe's future. Fifth report on economic, social and territorial cohesion, Brussels, p.106.

★ **Handout 2:**
Level of satisfaction of residents with aspects of quality of life
in selected cities, 2009



Key:



Note: Cities are ranked from low to high scoring. Centre of the graph is the lowest city score and graph edge is the highest score in the survey.

Source: Urban audit perception survey (European Commission 2010: 102p.)

★ Handout 3: Mechanisms of peripheralisation

Western “shock therapies” for post-socialist states

An important element in the peripheralisation of eastern Europe was the shock therapies enacted in those states in the final stages of state socialism or thereafter. The borrowing by these states gave international creditors such as the IMF or the World Bank immense influence over the design of economic development perspectives in the transformation period. The recipe recommended to the eastern Europeans in view of their practical economic bankruptcy was very similar to the so-called structural adjustment programmes imposed upon many Latin American states in the 1980s. In order to guarantee continued payment of interest and repayment instalments, refinancing loans were coupled with an obligation to implement radical privatisation and deregulation policies.

In the course of the transition to an anti-Communist regime, many eastern European politicians were extremely keen to implement the market economy “reform proposals” of the highly praised West. Through a sudden currency devaluation, they exposed their domestic economies to the pressures of the global market without any sort of transition period. Mass lay-offs in former state-run enterprises contributed to precisely the competitiveness that was intended to draw in capital investors from the West. These investors however only considered their investments secure when the currency in circulation was actually worth something. So, in the name of a drastic savings policy, subsidies for basic foodstuffs, living accommodation and other everyday consumer goods were cut so severely that the drastic price inflation actually led to the obliteration of all savings. It was only after this that national assets were actually privatised, i.e. major infrastructural assets such as the telecommunication or banking sector were sold off to western corporations.

The American anti-imperialist academic David Harvey talks about an “accumulation by dispossession” in connection with the crisis management of western investors. The main characteristic of this was that, as a result of crises and (Cold) wars, markets and areas of capital investment were virtually forced to open up new spheres of accumulation for the metropolitan capital facing devaluation difficulties at home. These accumulation options often go hand in hand with a transfer of ownership from states, local authorities and cooperatives to the private hands of multinational corporations, which is why this has to be referred to as dispossession (Harvey 2003).

The extended workbenches of the “European Core”

As in the case of privatisation policy in eastern Europe, there are also economic models for the investment practice of western concerns there. In many countries of the Third World what were called “free trade zones” were set up in the 1970s and 1980s. These were “free” above all in the sense that the western corporations could manufacture there at the lowest wages without having to comply with workers’ rights or tax regulations.

Such production locations, mostly put up overnight, are also called “export-oriented companies” due to the fact that their products are intended exclusively for being shipped overseas. Particularly in comparatively work-intensive sectors, such as the textile industry, the low wage costs per item were a decisive argument for industrialists to outsource particular production processes to “free zones”. This production model is facilitated not only by governments ensuring provision of cheap workers

who are more or less devoid of rights, but also by the radical reduction of global transport and communication costs.

After the Wende multinational corporations – often with the help of grants from the European Union – set up similar production locations with particularly work-intensive low-wage production on the “green fields” of eastern Europe. Because the research and development centres and the headquarters of the corporations into which the generated profits were retransferred remained in the West and because the production was almost exclusively intended for export, these sites were referred to as “extended workbenches”. Through exploitation of the low wage levels coupled with the comparatively high levels of qualification, Hungary and the Czech Republic, for instance – but also Slovakia, which is already referred to as the “new Detroit” – have become the extended workbenches of the automotive industry of the West.

In the other sectors of the eastern European economy, such extended workbenches generally leave little trace. Apart from the fact that, of course, a number of jobs can be created (and transferred elsewhere the following day), the “production boom” otherwise bypasses the internal markets. “The main problem of subordinate economic integration is the fact that there is selective integration according to the rationale and needs of western corporations. Although the establishment of a hierarchical transnational division of labour is upgrading a few isolated sectors, market segments and regions, there are no diffusion effects from this process over the whole of the national economy, at least not yet. Instead, national economies are undergoing a polarising development.” (Neunhöffer / Schüttpelz 2002: 385)

Market liberalisation and other “EU accession criteria”

At the Copenhagen Summit in July 1993, the EU governments agreed the criteria under which further (above all eastern European) states would be allowed to join the European Union. These conditions, subsequently referred to as the Copenhagen criteria, it was stated, *inter alia*, that: “Membership requires that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights, respect for and protection of minorities; it also requires existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union. Membership presupposes the individual candidate’s ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union” (Copenhagen Conference of the European Commission cited according to Hofbauer 2007: 72). Specifically, it was expected of candidates who applied for accession in the mid-1990s that they ratify into their national legislative systems the *Acquis communautaire*, the body of European law consisting of around 20,000 legislative acts with an overall scope of 80,000 pages.

The accession negotiations – not least because they were organised as competition between several candidates – offered another good opportunity for interested parties from “core Europe” (and its corporations) to assert themselves in the countries of accession candidates. Using EU funds, whole armies of Commission-friendly professional advisors and administration experts were established to act as go-betweens for Brussels on the one hand and the various eastern European capitals on the other hand in the so-called “negotiations,” which were after all conducted in a rather one-sided fashion. “The competition between the individual eastern European states guarantees Brussels that there will not be any principle debates on the difficult topics of “agriculture”, “free movement of capital”, “free movement of persons” or “competition policy”. There is always some government willing to accede in order to avoid a possible joint, perhaps critical, statement by the accession candidates and to say ‘yes’ immediately to the body of law.” (Hofbauer 2007: 79) And in order to completely

exclude any possibility that the German-French leadership duo could be weakened by the expansion, the old member states also clamoured in advance of eastward expansion for a substitution of the unanimity principle for Council decisions by the majority principle – decisions in the new expanded Union can therefore no longer be prevented by a veto from a Member State. Instead, it is the number of inhabitants (and thus the size of a country like Germany) that weighs far more heavily in the new draft constitution.



★ Handout 4:
Modernisation discourse and the peripheralisation theory

	Modernisation discourse	Peripheralisation approach
Important theoretical concepts	<p>“Tradition and modernity”: traditional structures of “backwardness” must be replaced by those of “advanced” modernity.</p> <p>“Empowerment themselves”: developed countries and players must support the under-developed in learning self-sufficiency.</p> <p>The “trickle down”-effect: aid measures permeate down from infrastructural projects to the broad mass of the population.</p>	<p>“Core and periphery”: in the history of the capitalist world system, a small group of rich states controlled all the other parts of the world with relative constancy.</p> <p>“Unequal exchange”: on the global market goods are not only exchanged at their actual value. Sometimes market-dominant players also acquire them for less than their worth.</p> <p>“Development of under-development”: due to unequal exchange and militant political power, “development” also breeds “under-development”.</p>
Differentiation from colonialist Imperialism	Colonialism falsely assumed an inability on the part of the colonised population to govern themselves – hence it, quite rightly, failed.	Colonialism was shaken by the freedom movements but not completely overcome. Neocolonialist dependencies must be the subject of criticism.
On the issue of the western states as role models	The economic, political, social and cultural structures in the developed countries are both worthy and able to be emulated.	The western states are not part of the solution but rather part of the problem. Their development promise masks exploitation interests and cultural arrogance.
The role of the global market and capital	Investment of foreign capital plays a decisive role in the development of the states.	Investment of foreign capital creates a relationship of dependency both between owners and non-owners and also between rich and poor countries.
Relation to other political theories	Fordism; anti-Communism; anti-Colonialism; stage theories of economic growth; theories of social structural change from the agricultural to the service industry	Marxism; movements against Colonialism and neocolonialism; dependency theory
The heyday of political influence	1950s to 1980s: droves of “development aid workers” realise major projects, such as the “Green Revolution” in the farming industry.	1970s: the failure of many “development aid efforts” causes activists and critical economists to research the causes.

Real life game

The many faces of casualisation

★ Introduction

This unit of the training handbook is intended to encourage a closer understanding of the topic of casualisation, which has far-reaching consequences for the representation of employees' interests. The standard employment relationship is understood as a full-time position for an unlimited period, but in many member states of the European Union, this relationship is now moving away from being a norm to a one-among-many contract model whilst previous marginal areas of the labour market are becoming a daily reality for more and more people. Thus, workforces today are made up of permanent or temporary employees, agency workers, mini-jobbers, one-Euro jobbers, interns and non-voluntary part-time workers. In the low wage sector, the so-called working poor take home wages that are no longer enough to live on. Just in the period between 2001 and 2005, the number of employees without standard work contracts in the EU increased from over 36 percent to almost 40 percent (see European Commission 2006: 8). These figures are not adjusted for wage levels or forms of employment contract such as agency work. In EU member states, various aspects of casualisation stand out: in Spain agency work is particularly common with six million 'temps' whereas in Italy, almost three million people are

pseudo self employed. In Germany, six million employees earn a wage below the poverty line and 80 percent of recruiting in France is done on the basis of limited-term employment contracts (see ETUC 2008: 2).

Casualisation shows itself in various forms, yet all of these phenomena have a common problem at their core, namely the non-standardisation and blurring of the boundaries of wage work in respect of contract forms, salary level, working hours and the dwindling possibilities for collective bargaining. Although the day-to-day realities of young "creative" professionals, academics with limited-period but well-paid posts, agency workers, mini-jobbers, one-Euro jobbers, permanent interns or people forced to work for low wages do differ substantially in financial respects, they are nevertheless all facing the same major uncertainties with respect to their life planning. In addition, pressure is generated for the core workforce, by, for instance, both the low wage sector and the flexible temps. These workers in turn experience the uncertainty that has already become a fact of life for the young generation of wage-dependent employees. The fact that the precarious state of wage work did not originate with the buzzword of casualisation is illustrated by Dirk Hauer's use of the term *hard-won normality*, which is meant to suggest that the protection of wage labour has been politically enforced

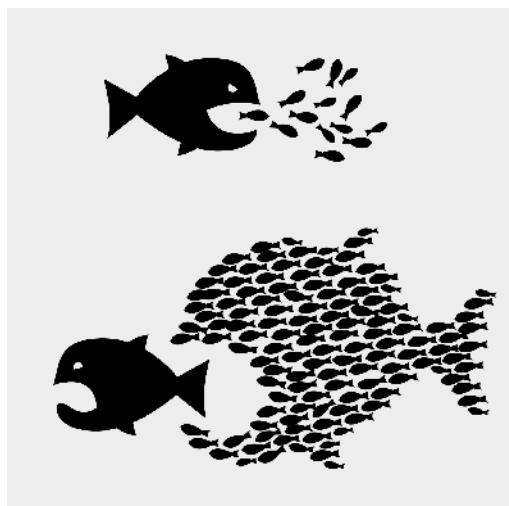
and hard-earned through legal accomplishments such as protection against unlawful dismissal, collective bargaining on wages and working hours as well as social security in the case of unemployment and must be constantly defended or re-established. Casualisation of work can also be conceived as a universalisation of the uncertain conditions applicable, to women, for instance, as a so-called “marginal” employment market group under Fordism. Many of the current characteristics of precarious employment relationships have long been part of their everyday reality. The uncontrolled growth of the labour market didn’t come about by accident but rather as the result of a conscious strategy of flexibilisation demanded by employers for the sake of competitiveness and was lobbied for and enforced by politicians.

Has the idea of solidarity in society lost momentum in the light of the severe fragmentation of the working class? And how can the many faces of casualisation be brought together into a common movement? Even whilst this question is being discussed theoretically, all over Europe spontaneous and practical protest movements are springing up against a policy that undermines the welfare state in the name of innovation and competitiveness. The protests by casualised workers in Italy under the patronage of *San Precario*, the patron saint of precarious workers, or the recent Spanish demon-

strations by the *indignados* (the outraged), have come about spontaneously and are led by people demanding their chance of a better life.

Overcoming the fragmentation of the various groups on the labour market and developing a common understanding of the latently insecure living conditions represents an enormous opportunity for the collective representation of the interests of wage-dependent employees even, or perhaps particularly, in times of flexibilisation and casualisation. These times emphasise that we live in an economic system that is based not on the reasonable satisfaction of people’s needs and a community life which is sparing on resources, but rather on the incalculable pursuit of profit.

This unit is intended to stimulate four strategies: It is first necessary to become familiar with the term casualisation through the suggested exercises and establish a common understanding. The next step should be to use the method of storytelling to give voice to the many anonymous fates. Then, using statistical background information, we want to shed some light on the jungle of new regulations and segmentations on the labour market and explain these using Spain as an example, in order to conclude by discussing the strategies against casualisation on the basis of an examination of the protest movement by the Spanish *Indignados*.



Further reading

ETUC (2008): Quality of jobs at risk! An overview from the ETUC on the incidence and rise of precarious work in Europe, Brussels.

[http://www.etuc.org/IMG/pdf_PRECARIOUS_WORK_IN_EUROPEupdate-kh1.pdf]

Dirk Hauer (2007): Umkämpfte Normalität. Prekarisierung und die Neudefinition proletarischer Reproduktionsbedingungen [Hard-won normality. Casualisation and the new definition of proletarian conditions of reproduction], in: Roland Klautke / Brigitte Oehrlein (Eds.): Prekarität – Neoliberalismus – Deregulierung. “Beiträge des Kritischen Bewegungsdiskurses”, Hamburg, pp. 30-43.

★ Background

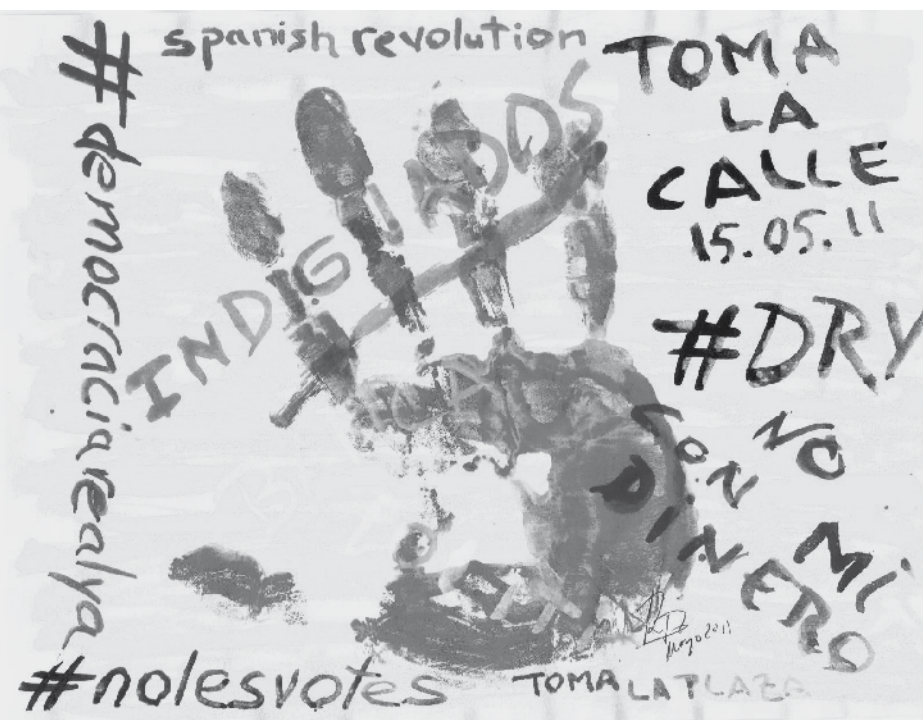
Mileurista – youth unemployment in Spain and the Democrazia Real Ya!

Mileurista is the name given to the generation of young people which has to survive on an income of less than EUR 1000. There is various data to illustrate the precarious situation of (young) employees in Spain, whose rage is expressed in the protest movement of the *indignados* (the “indignants”) which has been sweeping Spain’s cities since 15 May, 2011. Just a brief look at the statistics reveals the precarious labour market situation in Spain: in 2009, 25.4 percent of male employees and 27.3 percent of female employees in Spain were employed on fixed term contracts (European Commission 2010). The percentage of new employment contracts which were concluded for an unlimited term in 2005 was just 8.8 percent (Streck 2010) whilst in 2009 37.8 percent of young people were affected by unemployment.

However, the unemployment and casualisation is not to be blamed on lack of qualification. On the contrary, the

young generation is more educated than ever and yet it still takes young people in Spain a very long time to become independent of their parents. The poor labour market situation for young people has led to the fact that the number of people moving away from home relatively late is very high. 77.5 percent of 20 to 24 year olds still live with their parents, while this is the case for 44.6 percent of 25 to 29 year olds and even one fifth of all 30 to 34 year olds (Alonso / Rodriguez 2008: 78).

Legislation since the end of the 1980s shows that this development is politically supported and has been achieved by a deregulation of labour law which was based on the argument that flexibilisation of the labour market would result in increased competitiveness leading to more jobs. The 1994 legislative changes on flexibilisation of the labour market that were passed under the PSOE government can serve as an example. These introduced, *inter alia*, agency work and created a new player on the employment market: temping agencies. In 2007, so 13 years after the introduction of temping, more than half of the employees



under 30 (51.7 percent) are employed as temps. In the sporadically booming Spanish construction and agricultural industries it was even 66 and 73.3 percent of employees respectively who were employed as temps, which represents a good third (30.7 percent) of all jobs (Alonso / Rodriguez 2008: 74 et seq.).

In light of such figures, the question arises which advantages flexibilisation has from an employee perspective and which counterstrategies could be developed. In 2008, Alonso / Rodríguez (78 et seq.) described the young casualised workers in Spain as consumerist and apolitical, "The young generation does not seem to be defending itself against this casualisation although it is directly affected. Many members of this generation display an apolitical attitude (or conservative, depending on how you look at it). They defy these important problems by displaying a sort of amnesia-enhanced consumerism. Instead of a strong and organised movement to battle against the situation, the Spanish consumer society of recent decades has seen Spain catapulted into first place in the consumption of cocaine and similar substances." In 2011, the situation changed enormously, a tes-

timonial to this is the manifesto of the "indignants" in Spain which is included in the handouts section of this chapter.

Further reading

Luis Enrique Alonso / Carlos Fernandez Rodriguez (2008): Empleo et précarité des jeunes en Espagne, in: Travail et Emploi 115/2008, pp. 71-80.

Facebook page of the Spanish movement of the indignados: <http://www.facebook.com/democraciarealya>

Further viewing

Stefano Obino (2005): Il Vangelo secondo Precario –Storie di ordinaria flessibilità [The Gospel according to Precario. Stories of everyday flexibilisation], Italy.

Ken Loach (2007): It's a free World, UK.

Massimo Venier (2009): Generazione Mille Euro [The 1000-Euro Generation], Italy.



★ Workshop ideas

Image analysis

To introduce a workshop unit on casualisation, distribute the image below to the participants. What kind of associations emerge? Participants should exchange ideas with the person next to them and then present these to the group.



What does a marginal group mean in this case?

The so-called marginal labour market groups that include young people, women, the elderly and migrants. The so-called standard employment relationship that has been crumbling for some time now was – to exaggerate only a bit – the norm of an average aged “white” man. Just think how many employed people and unemployed actually come under this so-called norm!

Metaplan: atypical employment and discussion of definitions

How do we define precarious and atypical employment? Every participant should first write down some forms of atypical employment. Afterwards, the results should be clustered into groups and various categories on a metaplan wall. The results of the metaplan are discussed and then compared to the enhanced definitions from the handouts and discussed again. The goal of this exercise is to sensitise participants to the complexity of the problem using the possible definitions and a joint decision on which aspects should be discussed. Casualisation, for example, assumes a different dimension as a political problem when you include possibilities on the representation of employee interests in the definition.

Free-writing exercise on the buzzword casualisation

Free-writing is a method stemming from creative writing and makes it possible for the participants to associatively collect their thoughts on a certain topic. This means that not only the most active participants are involved, but instead that everyone commits their thoughts to paper. For five full minutes the participants – without putting their pens down – should write down an episode or even topical questions and answers on the subject of “casualisation” or “precarious employment”. It’s up to the team leaders whether they extend the exercise to ten minutes, but the time should be announced in advance. When the time is up, team leaders end the writing session. The participants can read out their contributions, which then can be discussed. They should also incorporate their own experiences of atypical employment.

The Game of Life

Many people know the internationally acclaimed party game „The Game of Life“, the aim of which is, according to the instructions (http://www.ehow.com/way_5544780_game-life-board-game-instructions.html) “to collect Life tiles and to amass the most money”. The person with the most money at the end of the game wins. As a workshop exercise, the participants should alter the instructions, which outline in detail a typical stylised career course, and rewrite the career course to reflect the actual course of many people’s lives today. The result is a game of real life, which could also be called the game of the precarious life. This exercise can also be altered so that the participants create a game of ideal life.

The role-model yuppie, who is the main character of the game, is of course extremely busy buying real estate, juggling insurance policies and – last but not least – keeping an eye on his shares on the stock market. In addition, he obviously didn’t have any problem borrowing money for the tuition fees of his MBA studies at university. “1. Choosing college, you must take out \$100,000 in bank loans. 2. Put your car on either the college or career space. 3. Unless you reach a “stop” space, move your car the number of spaces you spin and follow the directions of the space on which you land. 4. If you land on a career space, pay that person the specified value; if no one has that career, pay the bank.”

In the “Game of Real Life” things are slightly different. There is a lot more talk about unpaid internships, limited term contracts and the high hopes riding for the 100th job application. Rewritten for these circumstances the instructions of the game might perhaps sound something like this: “1. Use only the red die, even though you almost always throw a one. Don’t get annoyed when your fellowplayers only throw sixes. Regard this as an expression of their superior skills! 2. Avoid closer interest in the subject of your studies and don’t spend too much time at university. This will only lead to you have absurd ideas while at your part-time job. 3. Don’t pity the yuppies for their rigid following of social conventions. Better regard them as role models!

4. Don't ask your fellow players if something seems strange to them too. Just keep on hoping that you will also throw a six some time in the future!

Game pieces

Based on distinctive statistics that the team leaders can take, for example, from the labour market data listed in the background section, but also in various easily available statistics, the group should estimate various percentages – such as how many people in Germany in 2009 still worked in a company that followed a collective wage agreement and had a works council or what percentage of Italian employees were freelancers in 2010. In order to visualise the estimations, the team leaders set out game pieces in various colours from which the participants should arrange 100 on a table so that they correspond to the estimated figure.

Learning by research – stories of everyday flexibilisation

Storytelling as a method is becoming more widespread not only in marketing, but also in political areas. By collecting and telling these stories, anonymous statistical factors become interesting narratives. With the documentation of individual examples, the participants' ability to learn by example is promoted. You should (depending on the location where the workshop takes place) also research stories yourself by interviewing employees or even the unemployed on the street or in a business (where a prior request is recommended) and documenting these on video, dictation machines or even by transcript. If the participants wish, and the interviewees give their consent, they could even publish these stories as part of a workshop in the form of a blog or using other social media on the Internet.

Solidarity in times of flexibilisation

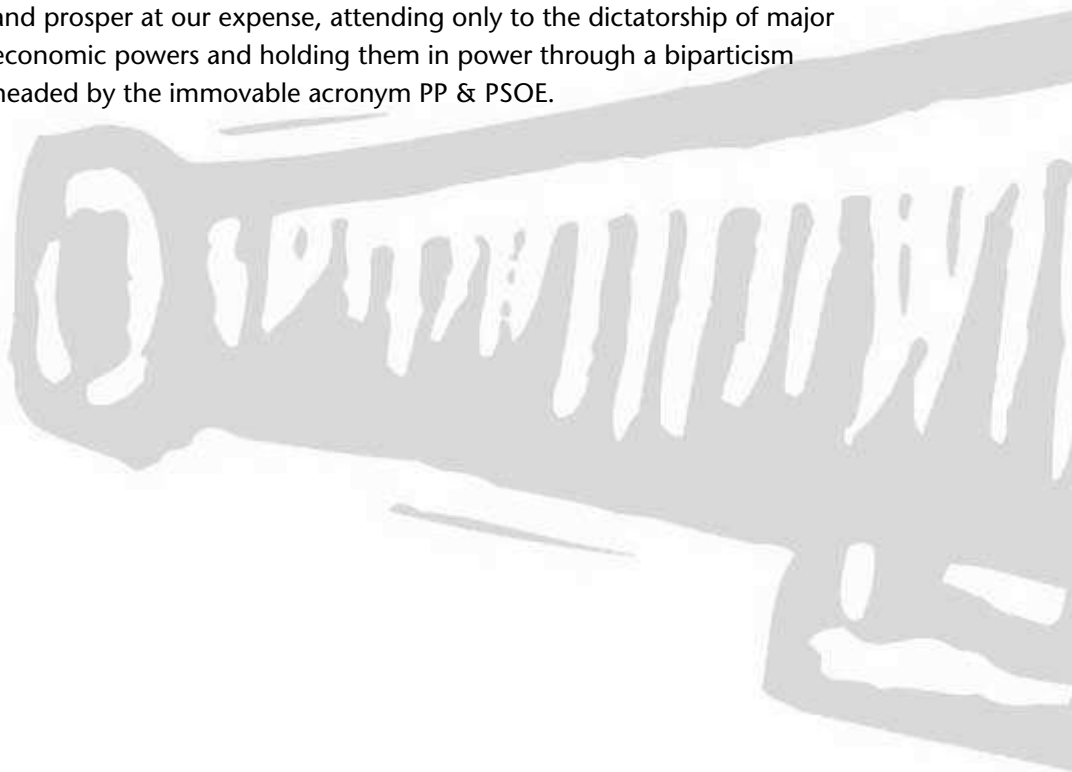
The participants should form small groups of five people and write a small pamphlet entitled "Solidarity in times of flexibilisation", in which they develop suggestions as to how unions can remain able to act despite a greater heterogenisation of the working classes or how they can revitalise their ability to act. They should then present their results to the group.



★ Handout 1 The Manifest of “Democracia Real Ya!”

» We are ordinary people. We are like you: people, who get up every morning to study, work or find a job, people who have family and friends. People, who work hard every day to provide a better future for those around us. Some of us consider ourselves progressive, others conservative. Some of us are believers, some not. Some of us have clearly defined ideologies, others are apolitical, but we are all concerned and angry about the political, economic, and social outlook which we see around us: corruption among politicians, businessmen, bankers, leaving us helpless, without a voice. This situation has become normal, a daily suffering, without hope. But if we join forces, we can change it. It's time to change things, time to build a better society together. Therefore, we strongly argue that:

- The priorities of any advanced society must be equality, progress, solidarity, freedom of culture, sustainability and development, welfare and people's happiness.
- These are inalienable truths that we should abide by in our society: the right to housing, employment, culture, health, education, political participation, free personal development, and consumer rights for a healthy and happy life.
- The current status of our government and economic system does not take care of these rights, and in many ways is an obstacle to human progress.
- Democracy belongs to the people (demos = people, krátos = government) which means that government is made of every one of us. However, in Spain most of the political class does not even listen to us. Politicians should be bringing our voice to the institutions, facilitating the political participation of citizens through direct channels that provide the greatest benefit to the wider society, not to get rich and prosper at our expense, attending only to the dictatorship of major economic powers and holding them in power through a bipartitism headed by the immovable acronym PP & PSOE.



- Lust for power and its accumulation in only a few; create inequality, tension and injustice, which leads to violence, which we reject. The obsolete and unnatural economic model fuels the social machinery in a growing spiral that consumes itself by enriching a few and sends into poverty the rest. Until the collapse.
- The will and purpose of the current system is the accumulation of money, not regarding efficiency and the welfare of society. Wasting resources, destroying the planet, creating unemployment and unhappy consumers.
- Citizens are the gears of a machine designed to enrich a minority which does not regard our needs. We are anonymous, but without us none of this would exist, because we move the world.
- If as a society we learn to not trust our future to an abstract economy, which never returns benefits for the most, we can eliminate the abuse that we are all suffering.
- We need an ethical revolution. Instead of placing money above human beings, we shall put it back to our service. We are people, not products. I am not a product of what I buy, why I buy and who I buy from.

For all of the above, I am outraged.

I think I can change it.

I think I can help.

I know that together we can.

Join us in the streets. It's your right.



Source: The text was published on
<http://www.democraciarealya.es/manifiesto-comun/manifiesto-english/> on 20 May, 2011.



★ Handout 2

Definitions of precarious employment

Definition 1: Second common demand for collective bargaining by the European Metalworkers Federation

- »» In any case, jobs can always be considered as precarious if they are jobs:
- with little or no job security
 - with low and unsecured wages
 - without or with insufficient access to social security (concerning pension, health insurance, unemployment payment)
 - without control over the labour process, which is linked to the presence or absence of trade unions and relates to control over working conditions, wages and the pace of work
 - without any protection against dismissals
 - without access to vocational training
 - without career opportunities
 - with little or no health and safety at work
 - without legal or contractual protection
 - with no trade union representation

Source: European Metalworkers Federation (2009): Second Common Demand for Collective Bargaining. For More Secure Employment, Against Precarious Work. [<http://www.eucoban.eu/EMF/Collective-Bargaining-Policy/The-second-common-demand-2009-2013>]

Definition 2: Attempt by a Jena research team led by Klaus Dörre to apply the concept of Robert Castel to the FRG:

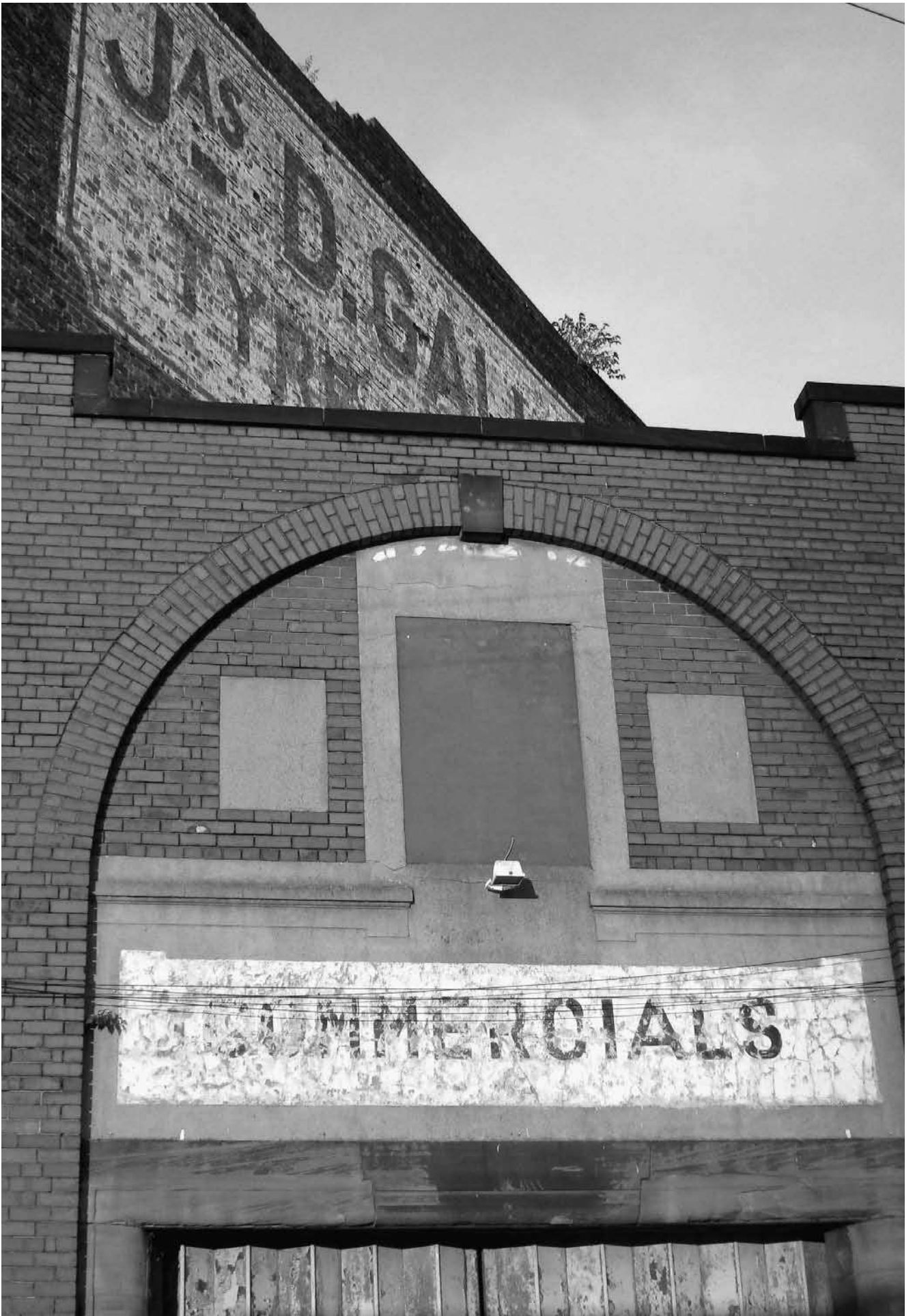
- »» Working conditions can be considered precarious “if, as a result of their activities, employees’ wages reduce significantly below a level of income, protection and social integration that is defined as standard and predominantly recognised. Gainful employment is also precarious if it is subjectively associated with loss of meaning, deficits in recognition and a lack of planning security to an extent which clearly alters the societal standard to the detriment of the employee.”

Source: Ulrich Brinkmann / Klaus Dörre / Silke Röbenack (2006): Prekäre Arbeit: Ursachen, Ausmaß, soziale Folgen und subjektive Verarbeitungsformen unsicherer Beschäftigungsverhältnisse. [Precarious employment: causes, extent, social consequences and subjective coping strategies for uncertain employment conditions] Bonn.

Definition 3:

- »» Precariousness as “Uncertainty of the social existence of human beings due to the conditionality of their income.”

Source: Group Blauer Montag (2008): Risse im Putz. Autonomie, Prekarisierung und autoritärer Sozialstaat, [Tears in the plaster. Autonomy, precarity and the authoritarian welfare state] Berlin.



“We are all Greeks!”

How the debt crisis is being used for the neoliberal restructuring of Greece and who profits from this

“The EU has the most open financial market in the world, which is an emerging strength. The introduction of the euro, supported by free movement of capital, sets the standards world-wide in terms of openness and transparency. Other countries should follow. The EU is fully committed to an ambitious opening of global financial services markets.”

(European Commission 2005)

★ Introduction

The “globalisation of the economy” is described with terms such as casino, predator or zombie capitalism, implying a wild almost anarchic principle of an unleashing of market forces and private economic players. However, the process of economic globalisation is proving politically desired and enforced and does not involve a decline of the state or even more extensive civil “freedoms”. The European Community and the European Union have made a considerable contribution to the implementation of a competitive regime which champions as a core element of neoliberal restructuring the privatisation of public enterprises, the liberalisation of the markets for tele-

communication, the transport system, postal service, railway system, electricity and gas and deregulation of the labour markets as a shortcut to increasing competitiveness.

The Directorate-General for Competition publishes on its website under the heading liberalisation a series of historical decisions by the Commission against member states on compliance with competition rules. Ironically, the first decision listed there criticises Greece for granting public lenders and insurers a statutory advantage over private and foreign ones. The decision from 24 April 1985 criticises the fact that public lending banks in Greece hold a market share of 80 percent and that the staff of government lending banks are supposed to recommend that their clients insure with a state-owned insurance company. The decision states that this is a competitive disadvantage both against private and non-Greek insurance companies.¹

One of the many later examples of politically supported and implemented liberalisation of the financial markets is to be found in an European Commission

¹ see <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1985:152:0025:0026:EN:PDF>

White Paper from 2005: “The EU regulatory environment should enable the fund industry, currently managing over five trillion euro of assets, to develop soundly structured, well-administered collective investments which deliver the highest possible returns consistent with the individual investors’ financial capacity and risk appetite, while giving investors all the necessary information to evaluate risks and costs.” (European Commission 2005: 14)

The Greek debt crisis and the EU “emergency package” are a current example of the neoliberal restructuring of whole national economies at the expense of dependent employees. Using the Greek example, we would like to trace this strategy and its logic and, by way of workshop exercises, increase sensitivity to crisis rhetoric in order to counter Margaret Thatcher’s hypothesis of the TINA principle (There Is No Alternative).

In the background section, the development of the debt crisis in Greece will first be outlined to explain how the crisis was caused and who profits from it. Who exactly are the creditors and who profits from the grant of loans? This will be followed by an analysis of the logic of the European financial crisis management, which can be seen as part of a neoliberal restructuring strategy. Does the globalisation of the economy actually represent a shift of power from politics to the economy or are structural adjustment measures not compulsory *political* measures and thus a contradiction of the theory of a wild unleashing of the markets?

In the Workshop ideas we have described a few practical exercises for critical reflection on the Euro crisis and solution approaches. In two exercises participants are encouraged to become critical financial market analysts themselves and to ask how banks operate and what connections there are between the financial and so-called real economy. In a role play exercise, a panel discussion should be held on analyses and solution approaches to

the crisis. Is the crisis, for instance, a financial or over-accumulation crisis and can it be overcome by re-regulation of the international financial system with instruments such as a Tobin tax or are solutions more according to grassroots democracy needed? Another exercise provides an opportunity to practise argumentation against crisis and catastrophe rhetoric. “Another world is possible” is a slogan of the alter-globalisation movement. But what would this world be like? Ideas for non-consumer oriented leisure activities should be developed in a creative exercise.



★ Background

“A financial analyst could never explain why the demonstrators in Athens now shout the same slogans as their parents did during the Greek dictatorship. (...) The Greek crisis is no longer financial. It is deeply political and social. The institutions created after the fall of the colonels’ regime in 1974 are clinically dead. Of course, the country is not threatened again by a junta. Nonetheless, government policy is starting to borrow more and more elements from authoritarian regimes.”

Chatzistefanou/Kitidi 2011

Who pays for the crisis and who profits from it – The Greek example

When Giorgos Papandreou took over the government of Athens in October 2009, the government debt of EUR 168 billion in 2004 had risen to EUR 262 billion. Just two months later the situation in Greece escalated after the creditworthiness rating of the Mediterranean state was reduced by the rating agency Fitch. In December 2009 Papandreou’s government reacted with an announcement that they intended to reduce the budget deficit in the years 2010 and 2011 by four percentage points. Just three days later there were protests and strikes after the rating agency Standard & Poor’s also reduced their rating. After further cuts and protests, the Greek debt for 2010 increased again due to speculative trading on Greek government bonds. Among other things, the investment bank Goldman Sachs was accused of having revealed the extent of the Greek loans (see Weardan 2010). In spring 2010 the EU and the IMF granted loans of EUR 110 billion to Greece. These were tied to a rigid savings program which had reduced the budget deficit by five percent through wage cuts, tax increases and job cuts. This caused a reduction of economic power by 4.5 percent. Income levels have fallen

by an average of 20 percent in the last 18 months. Twenty-five percent of employees in Greece receive a wage of less than EUR 750 per month (see Landgraf 2011). And still the German press, from the tabloid *Bild* newspaper to *Spiegel online*, are slating Greece in chorus with the press advisors of the Chancellor’s office for alleged laziness or an affluent lifestyle, which they declare to be the cause of the crisis. Argumentation like this is not only factually incorrect but must also be criticised as racist generalisation and nationalist rhetoric (for details see, inter alia, Kaufmann 2011). A closer look shows the true profiteers of the financial crisis in Greece. Kritidis (2010: 138) defines the crisis of the Greek public finances as “the flip side of the balance of payments surplus of the central European states”. By way of the government loans major projects, such as motorways, armament projects and military equipment, were financed from the 11 billion Greek armaments budget, which were fulfilled mainly by French and German armament companies (ibid.).

Whilst the German export economy profited from the immense Greek armaments budget, the German state also earns on the loans it grants. Germany’s share of the loans granted in 2010 was EUR 22 billion and this was financed by taking out loans at 2-3 percent. But since Greece has to pay back its loan at a higher interest rate, namely 4.2 percent, the German state benefits from granting the loan (Kaufmann 2011: 18). Greece’s creditors also include private German and French banks. PNB Paribas, Société Générale and Crédit Agricole have granted loans of approx. EUR 27 billion to Greek companies and private clients (see Kurier 2010).

Whilst the creditors earn interest on granting loans euphemistically termed ‘aid packages’ and ‘emergency aid’, wage-earners are tapped to secure repayment of the interest. The grant of more loans in summer 2011 will be linked to strict regulations for budget reforms. The sav-

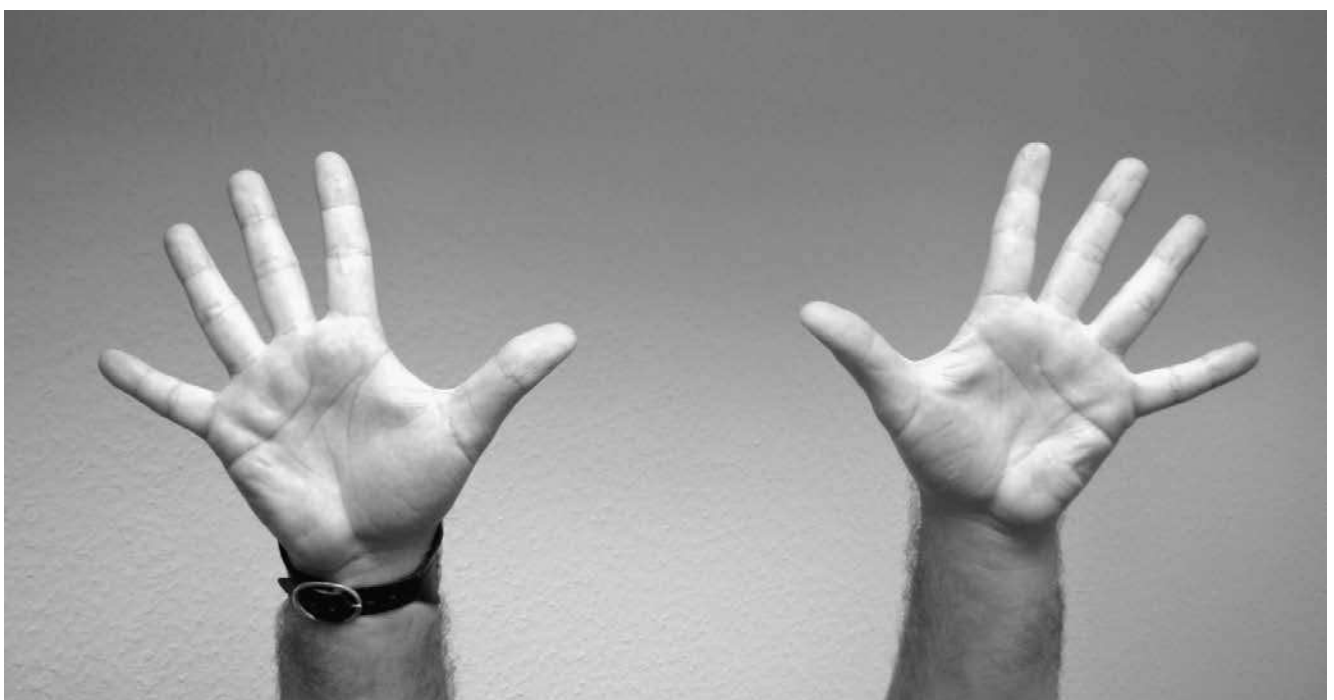
ings package concluded by Papandreou's government in July 2011 provides for savings totalling EUR 78 billion and targets dependent workers in particular through a rise in value-added tax for restaurants, bars, non-alcoholic drinks and natural gas, a reduction of public sector jobs by 150,000 and wage cuts of 15 percent for those remaining (see Wearden/Stewart 2011; Spiegel-Online from 29 June 2011). Social benefits and the health service will also suffer cuts. The neoliberal austerity programme is rounded off by savings of EUR 700 million on public investments in 2011 and considerable privatisations, such as that of the water supply companies Athens Water (EYDAP), Thessaloniki Water (EYATH), the gambling operator OPAP, the Hellenic Postbank, the AT-Ebank and the telephone company OTE (see Spiegel-Online from 29 June 2011). Private investors can and should participate in the "rescue package". Estimates suggest that 80 percent of Greeks oppose the savings package (see Wearden/Stewart 2011).

Crisis management as a neoliberal shock treatment

The rationale of the current European financial crisis management could be an-

alysed in the sense of Canadian author Naomi Klein as "shock doctrine". In her book of the same name, this is what she calls a procedure by which crises of the economy, the financial system or even environmental disasters can be used to further underpin the neoliberal economic model. An initial example of this was the testing of neoliberal economic programmes under dictator Augusto Pinochet in Chile, who toppled Salvador Allende in 1973. In this case, Chilean economists with close links to the Chicago school of Milton Friedman experimented with neoliberal concepts, e.g. privatisation of social security systems and Friedman himself was even in personal contact with Pinochet. In 1980, the pay-as-you-go pension system in Chile was converted to a fully capitalised system. Under the governments of Reagan and Thatcher neoliberalism achieved a further political breakthrough. From 1986 the International Monetary Fund (IMF) changed its policy so that the grant of loans was linked to obligatory structural adaptation measures which meant adaptation to the neoliberal policies which had been spreading since the 1980s, i.e. combating inflation, strict budgetary discipline, privatisation of the public sector,

The "moutza", used on Syntagma square in Athens is the most well-known insulting hand sign in Greece meaning "go to hell".



restrictive social reforms, deregulation of the labour market and creation of market incentives (Müller 2002: 93 et seq.).

According to neoliberal logic, austerity programmes are ordered as *treatment for sick patients*, i.e. over-indebted states. The term austerity stems from the Latin *austeritas*, abstinence, strict frugality and is recommended to whole states as a magic bullet to reform national budgets. But a glance at the actual figures shows that this strategy can only lead to a one way street. Whilst in 2009, Greece had debts of EUR 292 billion, in 2011 the total was EUR 354 billion despite an extremely strict savings programme (see Landgraf 2011). Moreover, the debts of a state only say so much about its credit rating. It is not the debt level itself, but rather trust in whether the money can be paid back which decides the extent of a

national debt crisis. Whilst Greece's debt level, i.e. the ratio of national debt to economic output, is 143 percent, Japan's is 200 percent (Kaufmann 2011: 3).

Despite all the justified criticism of the power of rating agencies and the ridiculous idea that a single financial analyst can declare an entire state bankrupt with a "D", it is not the rating agencies which set the interest rates, order structural adjustment measures or conclude privatisations. And it is not the rating agencies which have a policing system to secure ownership. It is also not the rating agencies which only produce goods if they can make a profit with them. That is the companies of what is known as the real economy. It is the textile producers, the automotive industry, the IT industry which have set out with a new international division of labour to revitalise profits. Thus Brenner (2009: 25-26) sees the crisis not as a one of the financial economy, but instead sees the cause in the reducing yields for capital investment since the end of the 1960s as a result of over-capacities in the processing industry: "The idea of finance-driven capitalism is a contradiction in itself because generally – there are significant exceptions, such as client lending – the financial profits are dependent upon continuing profits in the real economy." (Brenner 2009: 27)



Further reading

Naomi Klein (2008): *The Shock Doctrine. Rise of Disaster Capitalism*, New York.

Gregor Kritidis (2010): *Krise als Katalysator. Zur Transformation der griechischen Arbeiterbewegung [Crisis as a catalyst. On the transformation of the Greek workers' movement]*, in: *Sozial.Geschichte online* 3/2010, pp. 133-147. [<http://www.stiftung-sozialgeschichte.de>]

Andreas Wehr (2010): *Griechenland, die Krise and der Euro [Greece, the crisis and the Euro]*, Cologne.

Further viewing

Costas Efimeros (2011): *Debtocracy, Greece*. [<http://www.debtocracy.gr/indexen.html>]

Erwin Wagenhofer (2008): *Let's make money, Austria*.

★ Workshop ideas

What happens to my money?

The participants should consider where the money in their account is at this moment. It is after all not in the bank, but is instead invested. The participants should firstly look on the website of their particular bank to find out where it invests money. Alternatively, a visit could be made to a branch of the bank wherever the workshop is being held to ask personally. Materials required: Internet access

Working groups on the relationship between the financial sector and industrial enterprises

At the moment everyone, from the *Indignados* in Spain to the conservative German Finance Minister Wolfgang Schäuble, is outraged at the increasing influence of rating agencies and other players on the international financial market. But simply ranting at an out-of-control financial economy is not sufficient in view of the extensive interweaving with what is known as the real economy. The following workshop exercise will sensitise to the fact that growth and profit are inherent principles in the capitalist economic system that allow no room for a distinction between “good” or productive and “bad” or speculative capital. Through research into the large European corporations listed on the EUROSTOXX 50 index, participants can investigate the connections between companies of the financial economy and industry. They should form working groups to research using a familiar large corporation listed on the EUROSTOXX 50 or another leading European index, how this is financed, so which investors are involved, which markets it invests in and what the company’s goals are. Then the results can be discussed with the whole group.

A good starting point for this is the company websites of the large European corporations listed on the EUROSTOXX 50 index.² On the relevant websites information, annual and quarterly reports can generally be found under the heading *Investor Relations*.³

So in the 2010 annual report of Danone, for instance, there is a statement of the corporate goals which clearly states that, besides production and trade with foodstuffs, Danone is also active in the fields of financial transactions, property rights and property insurance as well as the property market. “In general, the Company shall be entitled to effect any and all property, real estate, industrial, commercial, and financial transactions relating directly or indirectly or possibly useful in any connection whatsoever to the Company in the fulfillment of its corporate purpose.” (Danone 2010: 6)

Crises_Analyses_Solutions

Ideas for staging a panel discussion

Divide the participants into three groups and have them each present a political standpoint for the analysis and solution of the crisis based on the controversial standpoints given in the Handouts section. First the group should read the materials through individually and discuss them, then they should appoint one member to represent them in the panel discussion.

² http://www.stoxx.com/indices/index_information.html?symbol=SX5E

³ e.g. for the Deutsche Bank under http://www.deutsche-bank.de/ir/index_e.htm or for Danone under <http://finance.danone.com/phoenix.zhtml?c=95168&p=irolreportsAnnual>.

On aid workers, patients and emergency aid. How “shock therapies” can be implemented through crisis rhetoric. An exercise

In this workshop exercise the participants can practice defending themselves against a popular rhetoric device: exaggeration (hyperbole). Examples of hyperbole are expressions such as dead tired, quick as lightening, infinitely long, snail’s pace. In crisis rhetoric they are also commonly used in conjunction with metaphors such as major debt catastrophe, cost explosion, emergency aid, the sick patient, radical cure, etc which can in turn also contain sugar-coated (euphemistic) elements. Whether in connection with international financial crises and the subsequent austerity measures, location debates or restructurings within companies, organisations or political parties – financing squeezes or time pressures are used expertly by the elite or management staff to implement their political ideas. It is particularly important for trade unionists and political activists to develop counter strategies of both a rhetorical and actionist nature.

Participants should divide up into two groups. Each should prepare lines of argument using stylistic devices of exaggeration and euphemism with which they should argue shockingly and without allowing for alternatives for a political or economic restructuring. Participants should take about 60 minutes preparation time then they should stage a heated debate with their respective partners with allocated roles in which one argues for a restructuring and the other tries to counter the arguments. Then they practice the debate again with the roles reversed. The other participants listen to each debate and discuss it at the end of the exercise. What feelings were engendered in the opposing party? What made the argumentation more difficult? What argumentation strategies made it impossible for the opponent to take up a contrary position? Does this engender a feeling of helplessness? In a second step, each pair should develop common strategies against these forms of argumentation and present them to the whole group.

Running the show

Is a world without money possible? In a creative exercise, the participants should design a city centre in a European town in which, although there are leisure activities, there are no commercial offers, so nothing is bought or sold. The empty shops are filled with ideas on how to run the show themselves. The participants can give free rein to their creativity, divide up into small groups and consider how their city could look in the future. Then they should present their concept to the other groups, possibly using metaplan diagrams.

★ Handout

Crises_Analyses_Solutions – a panel discussion on the debt crisis

Divide up into three groups which should each defend in a staged panel discussion one of the controversial Euro crisis standpoints printed below. One person can take the role of presenter. Firstly you can read through the materials in your groups individually and discuss them, and even supplement them with some research of your own. Take plenty of time for research and discussion within the group. Now appoint one participant from each group to be your representative in the panel discussion, which could deal with the following issues: What brought about the Euro debt crisis? Who caused the crisis? Who is paying for the crisis and who should pay? What solutions are there for the financial, economic and debt crisis which has been ongoing since 2007? Are there alternatives to the neoliberal growth model? Will capitalism recover from this crisis? What alternatives could emerge?

Standpoint 1: Belt-tightening!

Typical arguments: We all have to tighten our belts. The affluent years are over. Only austerity measures can help! We need a strict savings programme, inflation has to stay low, monetary value is the top priority, privatisations can release new growth potential, social insurances must be pared down or partially privatised and wage costs must be reduced.

Typical advocates of this standpoint: ECB, IMF, neoliberal politicians from various parties (e.g. David Cameron or David Milliband).

»» In accordance with the programme worked out by the EU and International Monetary Fund IMF, Greece reduced its deficit from 2009 to 2010 by five percent of its economic output. That is a considerable achievement! But considerable efforts are still needed and the full scope for privatisation of state assets must be exploited. This is decisive for the reform of the national economy: its yield of EUR 50 billion by 2015 would reduce the debt by 20 percent. This privatisation also yields untapped growth potential. The programme provides for a reduction of the deficit to 2.5 percent by 2014 and still further in the following years. I see no reason why under these circumstances the state should not be allowed renewed access to the capital market. ««

Source: Jürgen Stark, Vice President of the European Central Bank in an interview with the newspaper Kurier [from www.kurier.at/wirtschaft/3916657.php, June 22 2011]

Further links for personal research:

- ECB: <http://www.ecb.int/mopo/strategy/html/index.en.html>
- German Federal Government (website in German/English/French)
<http://www.bundesregierung.de/Webs/Breg/DE/Europa/europa.html>
- G8: <http://www.g7.utoronto.ca/>

Standpoint 2: It's all down to the financial speculators!

Typical arguments: We need a new economic order. The dominance of neoliberalism and the deregulation of the financial markets has reduced the power of the state. The liberalisation of the financial markets gives power to private economic players such as hedge funds, financial market analysts, rating agencies and multinational corporations which they simply shouldn't have. We have to recreate the primacy of politics. We have to finally fight for the idea of a social Europe. Deregulation has led to a growth model driven by the financial markets and we have to fight for new financial market regulation. An important instrument here is the introduction of a financial transaction tax in the EU, but also Eurobonds and a European Bank for government bonds.

Typical advocates of this standpoint: Party of European Socialists (PES), European Trade Union Confederation (ETUC), attac, Confederal Group of the European United Left / Nordic Green Left (GUE/NGL), neo-Keynesians

»» In times of hardship there is a temptation to resort to protectionism and short-sighted self-interest. Narrow minded conservative austerity measures are holding the EU back. We therefore call for progressive recovery policies, true to the founding principle of the European Union: solidarity. On a continent already suffering from record level unemployment and sluggish growth, the financial market speculators', hedge fund managers' and investment bankers' concerted attacks on democratic European countries was the final straw. An EU that allows its citizens to be subjected to such attacks is unacceptable. A new vision is needed. Ours is a vision of the European Union working for its citizens, where such attacks are anathema. <<

Source: PES (2010): A clear choice for Europe. Solidarity or self-interest, recovery or austerity, Brussels.

»» Europe is at a crossroads in the crisis. The neoliberals are grabbing the opportunity to implement a policy which brings severe democratic restrictions and constantly advancing cuts in social services through which the costs of the crisis are redistributed downwards. In the next step, the reform of the Stability and Growth Pact, the Pact for the Euro and other measures are intended to adjust the economic regulations of the EU so that only one thing counts: competitiveness. This is a policy which is contrary to the interests of most people in Europe. This policy is socially and ecologically ignorant, fatal in terms of a policy of democracy, and it is not an appropriate response to the crisis. There are good alternatives to this policy. The financial markets must be strictly regulated and taxes raised on financial transactions, there must be a pan-European minimum standard for wages and social security systems, capital and corporate profits must be taxed more severely in a coordinated system and the democratic codetermination rights of European citizens must be further developed. These measures would help set a consolidated course out of the crisis. They would make neoliberal reforms superfluous and they would tackle the social inequalities in Europe. But their implementation must be fought for. Europe is at a crossroads: radical neoliberalism or solidly united community. <<

Source: Attac (2011): Für ein solidarisches Europa, n.p. [For a solidly united Europe] (<http://www.attac.de/aktuell/eurokrise>)

Further links for independent research:

- PES: <http://www.pes.org/en/pes-action/political-initiatives/financial-crisis/news>
- attac: <http://attac.org/>
- GUE/NGL: <http://www.guengl.eu/showPage.php?ID=9460&ST=crisis>

Standpoint 3: “We don’t owe anything – we’re not paying – we’re not selling anything! Direct democracy – now!”

Typical arguments: The current crisis which has been ongoing since 2007 is not only a crisis of the neoliberal growth model, but also has its roots in the capitalist mode of production itself. Neo-Keynesian solutions to the crisis are therefore only effective in the short term. This is not only the fault of the players on the international financial markets but is also the result of falling growth rates in the industrialised countries since the 1970s.

The needs of the people must be the main focus, not economic profits. The power of the state has not reduced, on the contrary it has increased, which is evident from the increased civic unrest and violence against demonstrators and the undemocratic way in which, for instance, austerity measures have been implemented. The question of ownership must be redefined through social battles and not in parliaments.

Typical advocates of this standpoint: spontaneous protest movements, critical critics, autonomous grassroots unions in southern Europe, post-operaists.



Dear friends, brothers and sisters,

We are the ones that have fought for a month at Syntagma square in Athens. We organize ourselves with direct democracy excluding all political parties. Our voice is our everyday people’s assembly. We are indignant because others decide for us without us and mortgage our future; they impose loans that do not benefit the people but the banks and governments’ interests. We are indignant because they terrify us using the deterrent of bankruptcy. Not only do they try to scare us but they also try to set people against each other. – We do not want any more support loans. – We do not want public property to be sold off. – We do not want the medium-term program to pass. – We do not want the socialization of losses and privatization of gains. Unite your voice with ours. They are using our sacrifices and yours so that few acquire wealth. We are here today, you will be here tomorrow. We take to the streets everyday. Every Sunday hundreds of thousands of citizens gather at the squares of all Greece, Syntagma being the core. The medium-term austerity program will not pass. Journalists hush, we do not. We urge all the people of Europe and all trade unions to organize solidarity and mutual support actions on the day of the medium-term program vote. All together, so that we take our lives in our hands.



Source: Call from demonstrators on Syntagma square in Athens from 26 June 2011
[<http://real-democracy.gr/en/content/international-update-22062011>]

Management strategies

Great compromise 2.0: Competitiveness at all costs?

“Member States shall conduct their economic policies with a view to contributing to the achievement of the objectives of the Union, as defined in Article 3 of the Treaty on European Union, and in the context of the broad guidelines referred to in Article 121(2). The Member States and the Union shall act in accordance with the principle of an open market economy with free competition, favouring an efficient allocation of resources [...]”

The Treaty on the Functioning of the European Union, Article 120

“The Union and the Member States, having in mind fundamental social rights [...], 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. To this end the Union and the Member States shall implement measures which take account of the diverse forms of national practices, in particular in the field of contractual relations, and the need to maintain the competitiveness of the Union’s economy.”

The Treaty on the Functioning of the European Union, Article 151

★ Introduction

With its Lisbon strategy in 2000, the EU also set itself the goal of becoming the most competitive economic area in the world. The neoliberal logic that greater competitiveness leads to more growth and more growth leads to more employment and more affluence has been celebrated in the media so often in the last 20 years that it has almost become common sense across all political parties.

Since the beginning of the 1990s social scientists have been talking about a transition from the Keynesian welfare state to the ‘competition state’ (see Cerny 1990; Hirsch 1995; Jessop 1997, 2002). These conclude that the competition state is aimed primarily at creating the best possible framework conditions for international competition between locations – i.e. that competitiveness is becoming a reason of state. With regard to its political function, it concentrates on the *recommodification* of labour, so on (re-)integrating the unemployed and the non-working population (older persons, housewives, etc.) into the labour market as quickly as possible. On the other hand, the main goal of the Keynesian welfare state on a socio-political level was securing against market risks, i.e. *decom-*

modification functions. This role reversal did not occur overnight but was rather gradual and is still ongoing. But the EU is the stage on which the drama “Farewell to the welfare state” is being played out. We will be interested to see who the protagonists are and whether any sort of happy end is still possible.

The neoliberal restructuring of the British welfare state under Margaret Thatcher turned into an open battle against the trade unions and their organisational bodies. Restructuring of the welfare states in northern, central and southern Europe was done in conjunction with or under the leadership of social democratic parties, but also partly in agreement with leading trade union organisations. Many industrial relations researchers were surprised by the new wave of central social pacts in the 1990s and by the regional and local alliances (see Regini 1994). But Deppe / Bieling (1999: 285) see a substantial difference between corporatist arrangements in Fordist capitalism and the later compromises since the 1980s, “To a certain extent the [...] new, social consensus forms a ‘new formula for peace’ which is certainly substantially different from the old ‘Fordist class compromise’. The old compromise was characterised by reticence on the part of the worker movement as regards the political goals of Socialism (democracy within the company and the workplace, expansion of public controls on private industry; socialisation). In exchange for this reticence came income growth, an expansion of the welfare state and full employment. The new compromise – if it can indeed be called a compromise at all – is based upon ‘waiving social benefits and certain labour law regulations (for instance in matters of flexible working hours)’ in exchange for short-term employment guarantees and possible investment grants (see Bispinck / Schulten 1999: 180).” Schulten (2000: 232) too draws a sobering conclusion, “Whilst the open confrontation with the trade unions has tended to block neoliberal restructuring

in many states, competitive corporatism has proved itself an appropriate medium to involve the trade unions in neoliberal restructuring projects.”

How can this involvement be explained? What contradictions result from powerful trade union criticism of the consequences of labour market flexibility and the focus on competition on the one hand and certain collaboration in neoliberal restructuring projects, such as economic and monetary union or labour market reforms, on the other hand? What explanations are there for the contradiction that three decades in which the trade unions were on the defensive as regards wage, employment and social policy are coupled with an intensification of what is known as the corporatist arrangement in which trade unions were integrated into political decision-making by way of social pacts and joint declarations? Could one conclude in retrospect that since the end of the 1980s a new basic consensus has been created between capital and labour which can basically be summed up by the words *Employment – Growth – Competitiveness*? And did or can the current crisis contribute to breaking this compromise? In this unit we would like to invite you to reflect on the sea change described.

The background section is intended to give an overview of the diverse social pacts and joint declarations sweeping through the EU states. In one of the workshop exercises for instance, extracts from the social pacts of various states should be examined as examples by way of a document analysis. In another exercise the participants should prepare arguments for and against the formula of *Employment, Growth and Competitiveness* and discuss these controversially. A third exercise is concerned with research into competition policy decisions of the European Commission.

★ Background

Social pacts in the EU under the banner of competitiveness

In 1999, in all the then EU member states except Great Britain and France, tripartite agreements were concluded, e.g. on labour market reforms (see, *inter alia*, Hassel / Hoffmann 1999: 213 *et seq.*). In advance of entry into economic and monetary union social pacts were concluded in many European states where the government concluded agreements with employer associations and trade unions on centralised but also decentralised levels concerning conservative wage policies, a flexibilisation of the employment markets or decentralised wage negotiating systems. Four examples will be outlined here.

Already in 1987 the Schlüter government in Denmark concluded a tripartite agreement with the Danish employer association and the trade union organisation LO which established that wages in Denmark should not rise above the level in competing states, particularly Sweden and Germany.¹ The labour market reforms, which have since 1994 led to activation policies with stricter sanctions against the unemployed and a reduction of the period in which unemployment benefit is paid, were supported by the LO.

In Italy the government, trade unions and employer associations concluded agreements in 1992, 1993, 1996, 1998, 2002 and 2007 on wage, labour market and employment policy issues which supported the strategy of a flexibilisation of the labour market and wage restraint. The parties to the collective wage agreements were united in their goal of satisfying the Maastricht criteria and numerous wage policy concessions were made on the basis of this priority. The agreement on “wage policy, the bat-

tle against inflation and indirect wage costs” in July 1992 abolished the automatic sliding scale wage regulation *scala mobile* which was introduced in the post-war period and the parties to the collective wage agreement were unanimous in their analysis that companies must become more competitive, employment increase and wage policy be modified (see Protocollo 1992; Regini 2000: 154). Under the Prodi government an employment pact was concluded in 1996 which provided, among other things, for introduction of temporary employment and pointed out the need for a rigorous financial policy (see *Accordo per il Lavoro* 1996).

Under the Schröder government in Germany in 1998 the signatories to the platform *Bündnis für Arbeit, Ausbildung und Wettbewerbsfähigkeit* (*Alliance for jobs, training and competitiveness*) originally established by Klaus Zwickel under the Kohl government as the *Bündnis für Arbeit und Standortsicherung* (*Alliance for jobs and the preservation of German production sites*) concluded, among other things, “a further sustained reduction of the statutory wage costs and a structural reform of the social insurance system.”² The Hartz reforms too – although specific details were criticised for their severity – were supported in principle.

One example of a concerted policy in the course of the financial crisis since 2007 can be seen in Spain in 2011. Whilst in September 2010, the trade unions CCOO and UGT were still calling for a general strike against the planned labour market reforms of the Zapatero government (Wandler 2010), in February 2011 they, together with him and the employer associations, signed a pact for growth, employment and the securing of pensions. This pact concluded, among other things, a raising of the pensionable age from 65 to 67. In view of the high unemployment among the

1 see eironline; <http://www.eurofound.europa.eu/eiro/1999/01/feature/dk9901102f.htm>

2 http://www.eu-employment-observatory.net/ersep/imi66_d/00030005.asp

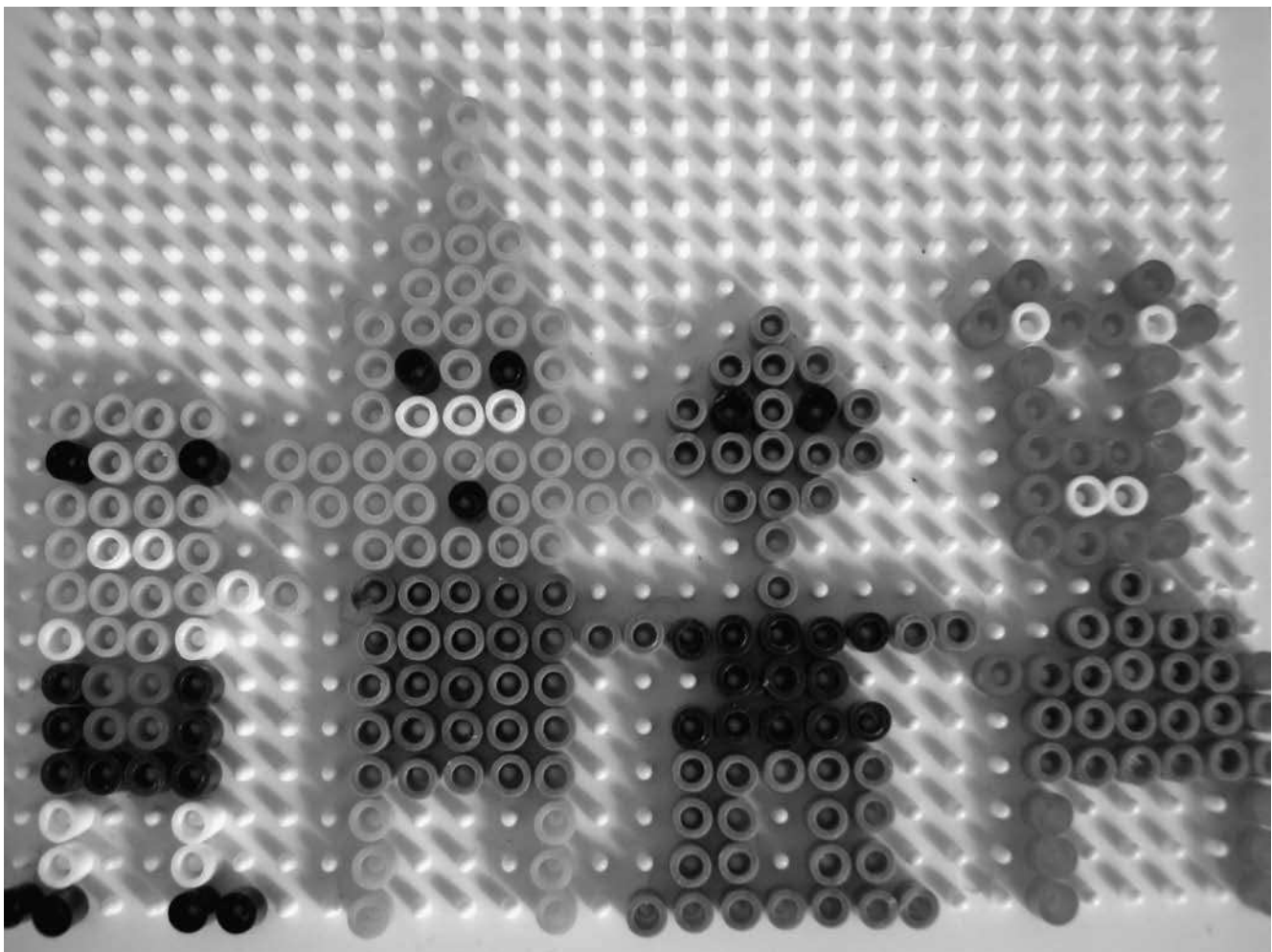
young people, who protested in May 2011 in Spanish squares, the following analysis of the mass unemployment, also signed by the trade unions, must sound like pure derision. The signatories agreed to take action against unemployment by way of “stable economic growth which creates enough jobs to enable a reduction in unemployment. To this end a reform of the active labour market policies must be agreed which improves the employability of individuals so that they can be better equipped for the job market and better satisfy the personnel requirements of the companies.” (Acuerdo Social y Económico 2011: 18)

Further reading

Hans-Jürgen Bieling / Frank Deppe (1999): Europäische Integration und industrielle Beziehungen – Zur Kritik des Konzeptes des „Wettbewerbskorporatismus“ [European integration and industrial relations – On criticism of the concept of “competitive corporatism”], in: Horst Schmitthener / Hans-Jürgen Urban (Eds.): Sozialstaat als Reformprojekt. Optionen für eine andere Politik, Hamburg, pp. 275-300.

Marino Regini (1997): Still Engaging in Corporatism? Recent Italian Experience in Comparative Perspective, in: European Journal of Industrial Relations 3/1997, pp. 259-278.

Thorsten Schulten (2000): Zwischen nationalem Wettbewerbskorporatismus und symbolischem Euro-Korporatismus – zur Einbindung der Gewerkschaften in die neoliberale Restrukturierung Europas [Between national competitive corporatism and symbolistic Euro corporatism – On involvement of the trade unions in the neoliberal restructuring of Europe], in: Hans-Jürgen Bieling / Jochen Steinhilber (Eds.): Die Konfiguration Europas: Dimensionen einer kritischen Integrationstheorie, Münster, pp. 222-242.



★ Workshop ideas

“Citizen Welfare and Private Business Strength”

A study of sources for social-partnership documents in working groups

Under the section Handouts you will find extracts from various social pacts and agreements. Work through with the working group participants the standpoints represented by trade unions and employer associations in these common documents as regards the topic of competitiveness. Can contradictions arise out of the declarations and if so, which ones? Can welfare and competition be reconciled at all, as the documents claim? These would be possible topics for discussion.

Research exercise I

The participants divide up into working groups and search the Internet for examples of social pacts or local and company employment pacts in various countries, regions or business sectors. It would be good idea to also examine the context of the documents found. The content of the agreements, goals and common viewpoints of the partners to the agreement should be described. What were the consequences of this agreement, what consequences have ensued for the trade unions and what effects does a concerted approach have on the politics of labour interest representation? These issues could be discussed after presentation of the working group results.³

Research exercise II

The Directorate-General for Competition publishes on its homepage European Commission decisions against member states concerning the liberalisation of various markets.⁴ Decisions can be found here in various languages from the years 1985 to 2007. The participants should select a decision and read it through at their leisure. You could also print out one of the decisions in advance and copy it for the workshop. The decisions are a good example for how EU policies have supported liberalisation and are also enforced with legal means.

Work – growth – competitiveness. A great or a bad compromise?

A controversy

In this exercise participants should gather arguments for and against the widely discussed hypothesis that through more competitiveness comes more growth and through more growth more employment and thus in turn more affluence. This should be discussed controversially. Where is this opinion represented and who represents it?

³ <http://www.eurofound.europa.eu/eiro/> for instance, offers good research opportunities

⁴ <http://ec.europa.eu/competition/liberalisation/cases.html>

★ Handout

“Citizen Welfare and Private Business Strength”

A study of sources for social partnership documents in working groups

Here you will find extracts from social pacts, agreements and joint declarations. Whilst in the 1990s a series of these agreements were concluded, two more recent examples from 2010 and 2011 show that common approaches are still being pursued. It is exciting to analyse the extent to which the agreements pursue a joint analysis of the situation and to what extent labour representatives assume management arguments.

Please form working groups and establish the standpoints the trade unions represent in these common documents as regards the subject of competitiveness. Do the declarations throw up contradictions and if so, what are they? Are welfare and competition compatible at all as the documents claim? These are just a few ideas for discussion. Only extracts of the agreements are reproduced here. The full texts and other agreements can be found by calling up the links given.

Italy 1996 Employment Pact (*Accordo per il Lavoro*)

» The government and social partners consider the method of concertation very important. The employment issue is a challenge which demands the cooperation of all those involved in the knowledge that budget reforms, achievement of the preconditions for stable growth and employment policy are not alternative goals. The government and wage bargaining partners are convinced that what is needed is an integrated strategy of macroeconomic policy, labour market policy and employment policy. Within this framework there is agreement and the government pledges that the use of financial incentives is essential as a fundamental instrument to develop the economy, commercial enterprises and employment and it is to this end that the government will work from the next budget, inter alia by a reduction in wage costs. [...]

In order to achieve real results even in the short term with regard to employment levels, the government and social partners agree the following points to work towards achieving this: development and modernisation of the production system through support for the establishment of new companies, the reduction of indirect wage costs, the creation of suitable conditions to exit the “shadow economy”, revision of labour market legislation to offer affected persons transparent framework conditions of rights and duties, greater flexibility in connection with a new simplified regulatory framework and in respect of qualification through development of measures for initial entry into the labour market to encourage employment and the training of young people, support for measures to ensure collective wage agreement flexibility or the reduction of working hours, organisation of an employment service system which is able to support the balance between supply and demand on the labour market.

The government and social partners emphasise the need to establish adequate conditions for growth and also express the wish that employment should increase through better economic conditions. In this they agree that

the system of employment incentives must be revised to increase its efficiency in relation to the specific goals they want to achieve. [...] The government maintains that the conditions under which SMEs, small companies, tourist companies and trading companies work must be improved. To this end they are simplifying the administration procedure by relaxing the rigidities on the employment market to facilitate the assumption of loans and access to funds for research. [...]



Source: [http://db.formez.it/storicofontinor.nsf/f4302670d7fd6e078025670e00524476/3F48EC9ABCE73185C1256CB600500D2F/\\$file/accordo%20lavoro%2096%20testo%20int.PDF](http://db.formez.it/storicofontinor.nsf/f4302670d7fd6e078025670e00524476/3F48EC9ABCE73185C1256CB600500D2F/$file/accordo%20lavoro%2096%20testo%20int.PDF)

Germany 1998: Alliance for Jobs, Training and Competitiveness



On 7 December 1998, representatives of central government, the employers' associations and the trade unions agreed, at a top-level meeting chaired by Chancellor Gerhard Schröder, to work together in an Alliance for Jobs, Training and Competitiveness in order to reduce unemployment and raise the competitiveness of the German economy. The parties participating in the Alliance for Jobs, Training and Competitiveness have reached agreement on the following points:

- Reducing the high level of unemployment is the most urgent challenge facing politics and society at the threshold to the next century. A high level of employment in a globalised economy is not a utopian idea, but a realistic goal that can be achieved, step by step, by means of a problem-oriented combination of economic policy activities.
- Positive trends on the labour and training markets require stable cooperation between government, trade unions and employers. It is particularly vital that the three parties coordinate their activities closely. In the light of this, the Alliance for Jobs, Training and Competitiveness is long-term in its orientation and is conceived as a process of understanding in which mutual trust is to be created, but where differences of interest and opinion can be settled.
- Swift and comprehensive reforms are vital in order to lastingly raise the level of employment and improve economic dynamics. Effective preliminary measures can be initiated immediately, however.
- It is necessary that government, business and the trade unions all make an effective contribution, and that collective bargainers enter into binding commitments. All must work together in order to achieve perceptible employment success together. The participants are agreed that autonomous action by the partners to the alliance, for instance by collective bargainers and government, is to be oriented towards the goals of this alliance and should support the agreements reached there. Collective wage bargaining will remain free of government intervention.
- A successful course of training in Germany's dual system of vocational training offers favourable opportunities for successful integration on the labour market. Every young person in Germany who is willing and able to undergo such training is to receive a training opportunity.
- The participating organisations will support state governments, local governments, trade unions and employers' associations, and individual employers and works councils in their joint activities in seeking out

new ways of maintaining and creating employment in their respective areas. The alliance will promote these efforts by setting an appropriate framework of conditions.

Specifically, the parties to the Alliance for Jobs, Training and Competitiveness seek to achieve the following:

- a further and lasting reduction in statutory indirect labour costs and structural reforms of the social security system;
- an employment-promoting distribution of work and flexible working hours, enabling reductions in overtime, annual working time accounts, and extension and promotion of part-time work;
- implementation of the reform of business taxation, in particular with the aim of reducing the tax burden on small and medium-sized enterprises, as of 1 January 2000;
- further improvements in the innovative capacity and competitiveness of firms;
- more flexible and improved opportunities for early retirement within the framework of the existing statutory retirement ages by means of statutory, collectively agreed and company-level provisions;
- wage trends that promote employment growth;
- an improvement in the access to venture capital of small and medium-sized enterprises;
- greater opportunities for asset formation and profit-sharing by workers;
- expert and subject-related dialogues on employment, innovation and competitiveness;
- a further reduction in the structural barriers to the establishment of new, and the growth of existing, firms;
- the opening up of new employment fields and training opportunities for low-skill workers, involving the trial and deployment of new instruments;
- an extension of the range of labour market policy instruments to combat youth unemployment and long-term unemployment, in particular by improving further training opportunities and providing additional incentives to take up employment. The instruments of active labour market policy must increasingly be deployed in such a way as to promote innovation. [...]



Source: http://www.eu-employment-observatory.net/ersep/imi66_uk/00030005.asp

ETUC, Businesseurope, CEEP, UEAPME (4 June 2010) Joint Statement by ETUC and Businesseurope on the Europe 2020 Strategy

- »» Improving competitiveness by having the European economy move up the ladder of innovation, technology and productivity is important. For this, it is crucial to mobilise the EU's human capital and the ingenuity of companies in an effective way. It is also important that Europe with its vast internal market becomes a greater engine of growth, with higher productivity and innovation gains and major investment in a greening of the economy. Social cohesion must also be seen as a precondition for a dynamic and sustainable economy. Promoting skills and entrepreneurship, revitalising the single mar-

ket; developing an integrated EU industrial policy, supporting new means of financing for investment and taking on the fight against poverty and inequality will all be crucial factors for the EU's future success.



Source: http://www.etuc.org/IMG/pdf_2010-06-04_Eur_Soc_part_-_Europe_2020_strategyENa.pdf

Social and Economic Agreement. For growth, employment and the securing of pensions (Acuerdo Social y Económico. Para el crecimiento, el empleo y la garantía de las pensiones) (February 2011, pages 4-5)



Despite the extent of the crisis or even because of it, the government and social partners have never ceased their efforts to maintain opportunities for dialogue. Against the background of the parties' recent divergence they have also insisted that in view of the current economic and social situation efforts must be redoubled in order to resume social dialogue. This is intended to enable development of a common understanding on how the necessary reforms should be constituted in order to help secure our social security system and make labour market policy more efficient. All participants agreed that it is extremely important in the current economic and labour market circumstances to re-establish social dialogue and negotiation between the government and the social partners. [...]

In accordance with the accepted agreements it is important that the public budget is balanced by savings policies and budgetary discipline to make the budget more efficient and fairer. In addition to this, the income side should be designed in such a way that it enables a public service which supports not only social cohesion in Spain but also the competitiveness of the country itself. [...]

In a time in which innovation is becoming ever more important, the dynamism and competitiveness of our economy must be supported to achieve quality employment.

The Spanish economy needs more entrepreneurs, an increase of human capital through better education, more technology in a more efficient infrastructure, better use of raw materials and employment relations that allow the necessary improvement of living conditions through a combination of flexibility and security. [...] The active labour market policy must for its part be aimed at facilitating the transitions to new employment relations by encouraging the adaptability of the unemployed.



Source: The full version of the agreement can be found under <http://www.lamoncloa.gob.es/docs/Acuerdo.pdf>

Competition. Redistribution. Productivity.

European wage policies under the conditions of Monetary Union

★ Introduction

With “rescue packages” for states such as Ireland, Portugal or Greece who were having immense difficulty obtaining new loans on the capital markets and paying back the old ones, 2010 saw the beginning of the worst crisis in the history of the European common currency coupled with what is also probably the most severe crisis in the whole of the European integration process. Since then creditors have imposed draconian austerity programmes on countries threatened by national bankruptcy which have – unsurprisingly – been the subject of massive protests amongst the general population. Young people, students, workers, civil servants and private industry employees in the countries most severely affected by the reduced credit ratings are staging repeated strikes or taking to the streets to protest against unemployment and privatisations, wage cuts and reducing pensions.

At the same time, blatant middle-class chauvinism is gaining ground in the richer countries. Rightist-oriented tabloids such as German daily *Bild* (“So it’s true! The Greeks do want our money” – lead story on 24 April 2010) or right-wing populist parties such as the “True

Finns” are inciting resentment against allegedly “lazy” southern Europeans who they claim are in any case living solely on the proceeds of hard working taxpayers in the north. Sandwiched between the contradictory pressures of the street on the one hand and the unambiguous payment demands from banks and financial markets on the other, the governments of the member states are obviously finding it increasingly difficult to coordinate their economic and financial policy rescue packages. At times in the debt crisis, it may even have appeared that some leading politicians were ready to risk the continued existence of the European currency as such – according to a gloomy estimation by former German chancellor Helmut Kohl a clear question of war and peace in the 21st century.

So it’s high time unionists clarified for themselves the opportunities, problems and future perspectives of the Euro. How is the European Monetary Union evaluated by unions and affiliated researchers? Which political alternatives to the neoliberal architecture of the Euro have been suggested by trade unions? Why have these suggestions not been implemented up to now? These questions are answered in a background text which can serve as a basis for a team leader presentation.

★ Background

A comprehensive explanation of the structure and functioning of European Monetary Union is an extraordinarily complex undertaking. Although the Euro is only one of many currently relevant topics, economists' discussions of its prerequisites and consequences alone are enough to fill whole libraries. At this point, only one specific area of the issue can and should be examined more closely: the Keynesian-inspired objections to the common currency. It cannot be denied that there is of course also criticism from other political quarters. In light of the current situation however, many unionists in Europe could very well see Keynesian arguments as the most obvious. Thus there follows a collection of the most important points of criticism of the Euro in order to enable the presentation of alternative proposals in a second step. Thirdly and lastly, it should be established which implementation difficulties the presented alternatives face.

Keynesian criticism of the Euro

The dogma of ECB independence: On the independence of the European Central Bank, Article 108 of the EC Treaty establishes that, "When exercising the powers and carrying out the tasks and duties conferred upon them by this Treaty and the Statute of the ESCB, neither the ECB, nor a national central bank, nor any member of their decision-making bodies shall seek or take instructions from Community institutions or bodies, from any government of a Member State or from any other body. The Community institutions and bodies and the governments of the Member States undertake to respect this principle and not to seek to influence the members of the decision-making bodies of the ECB or of the national central banks in the performance of their tasks." (EC Treaty quoted according to Heine/Herr 2004: 44)

The ECB justifies their programmatic waiver of democratic legitimacy by their suspicion that members of parliament and governments could be tempted in the interests of their own chances of re-election to abuse money-printing machines to combat social injustices or to grant other "election gifts". The most effective deterrent example in this case is the traumatic hyperinflation which led to a mass destruction of financial assets in the German Reich at the beginning of the 1920s – as if this was caused more by compliant central bankers than by war policies financed by borrowing.

Independence from democratic controls should not however be confused with political autonomy or even indifference. The central bank is an integral component of the capitalist economic system and as such, obliged to maintain its long-term stability. This was evident, for instance, when at the height of the financial and debt crisis the ECB abandoned one of its most important dogmas of independence. In a highly spectacular step, it declared in May 2010 that it was for the first time prepared to buy up the government bonds of highly indebted countries and thus de facto resort to direct state financing. This securing and re-establishment of the general stability of the financial system overrides the otherwise sacrosanct principles of political independence and monetary stability.

Fixation on monetary stability: A paramount goal of the European Central Bank, according to its own monetary policy, is to maintain the inflation rate "below, but close to, 2% over the medium term". In economic discussions, this inflation goal is seen as being very restrictive. Even in the pre-reunification Federal Republic of Germany with its so-called culture of stability, inflation rates were for a long time significantly above two percent and in the 1970s they were even over five percent per annum. Other possible goals of monetary policy, such as a certain purchasing power or level

of employment, may only be taken into consideration if price stability is not affected.

In practice, the European Central Bank actually managed in the first decade of its existence to meet its self-imposed inflation goal to a large extent, even if it was by disregarding clear regional differences. In this respect the issue of a numerical inflation goal signalled to the unions, especially those of the large Eurozone states, that excessively high wage agreements would be countered with increases in interest rates which would dampen the economic cycle. Since union negotiators would have to consider such a possibility in their negotiation strategy, the ECB virtually joined the negotiating table for at least some of the rounds of collective bargaining as an employer-friendly third party. With a view to the inflation goal, Keynesian observers com-

plain that the ECB jeopardises chances for growth and employment with an unnecessarily restrictive monetary policy and blocks positive impulses through increase of well-funded demand (see Heine/Herr 2004: 181 et seq.).

Stability and growth packages instead of economic cycle policies: The economic guidelines of the Council of Ministers and European Commission have since the beginning of the 1990s pursued the goal of maintaining a tough policy of austerity. The public debt should be reduced as far as possible independently of the dynamics of the economic cycle. Inflation rates should remain low; wages and transfer payments on the other hand should increase at most modestly, or even decrease. As a central condition for accession to Monetary Union, the Treaty of Maastricht – relatively arbitrar-



Reconstructing the Euro?
Rebuilding of the old
Frankfurt wholesale
market hall into the new
headquarter of the ECB.

ily – sets an overall limit on public debt. This should be a maximum of 60 percent of the gross domestic product (GDP) and annual new debts should be a maximum of three percent of GDP.

Due mainly to pressure from the liberal-conservative German Federal Government, these conditions were tightened up again in the Stability and Growth Pact of 1997. Now the states with a common currency are obliged not only to restrict but also to reduce their national debt in the medium term. The European Union is thus denied systematic means of flanking the single European monetary policy in terms of economic cycle as well as infrastructural policies. Under such neoliberal premises however, Europe-wide programmes for a socio-ecological enhancement of public infrastructures in the areas of childcare, education, care for the elderly, healthcare, energy

efficiency and environmentally-friendly mobility are as unthinkable as a consolidated equalisation of living conditions within an EU which, following eastward enlargement, is marked more than ever by significant social inequalities.

Neglect of economic divergences: For many years now, French governments in particular have been pleading for the creation of a European economic regulator. Against resistance primarily from Germany, these demands have not been followed through up to now. As a result of the consequent severe underdevelopment of macroeconomic policy instruments, common European monetary policy still lacks a complementary macroeconomic policy at European level which would be able to balance or at least reduce the considerable economic disparities within the Eurozone.



At least since the outbreak of the debt crisis, the Eurozone is now facing the acute problem that, in the first decade of the existence of Monetary Union, there has been severe polarisation in trade balance disparities. Export-oriented states such as Germany, Austria and The Netherlands, with high trade balance surpluses are set against national economies in the south of the EU with equally high trade balance deficits. The competitive position of the German export industry has been improved by, amongst other things, very severe restrictions on wage increases in comparison to the rest of Europe. Since there is almost nowhere else in Europe that the demand-effective incomes of wage-dependent employees have increased as minimally as in the Federal Republic of Germany, unit labour costs were able to be curbed more effectively here than in states whose wage policy ensured that goods could be imported from Germany.

In respect of this “German export model”, Keynesian-inspired economists also refer to a mercantilist strategy aimed at enrichment by means of de facto wage dumping at the expense of neighbouring states. After all, countries with a weaker competitive position in a unified currency area lack the means of depreciation necessary to protect themselves against the export offensives of the German industry. If, under these conditions, they are not prepared to drastically cut wage and salary levels, their companies face the threat of being knocked out by cheaper competitors. In addition, a strong decline of effective demand in these regions threatens in turn to strike back against the states with large trade balance surpluses. In such a situation, the European Union is unable to react with an effective fiscal policy: not only does it lack the necessary taxation and budgetary instruments, it also lacks determination and the political will to implement anti-cyclical policies in the interests of an improved regional integration of various economies.

What political alternatives to the neoliberal architecture of the Euro have unions suggested?

In order to resolve or at least reduce these problems of the European Monetary Union, alternative economic policies have been developed in the context of various European trade unions which are generally geared towards a move away from neoliberalism towards an active policy for infrastructure and employment (see EuroMemo 2011). At the centre of this proposed change of course in the economic and social policy of the European Union, are two basic elements: firstly the development of stronger European institutions with a view to enhancing the fiscal and employment policy aspects of the ECB's monetary policy and secondly, the establishment of wage and collective bargaining policies more closely coordinated across Europe.

In the view of Keynesian reformers, the European economy is clearly underfinanced. Either through public borrowing or with the aid of a new European tax (to be levied progressively on the basis of national GDP), institutions could be established to support the existing agricultural and regionally political instruments in operating an employment-friendly infrastructure policy with a view to achieving long-term harmonisation of living standards. The all too one-sided supply-side bias of European economic policy in the past would thus be replaced by a targeted policy of macroeconomic demand management supported by various economic players (state, companies, central bank, unions). This could enable equalisation of the regional imbalances that currently exert polarisation pressure within the Eurozone.

With respect to wages and collective bargaining agreements, the ECB and the sectoral European trade union associations have agreed a common guideline for the formulation of a wage policy oriented according to productivity (and thus neutral in terms of both distribution and competition). This policy sees

the main goal of collective bargaining as raising wages and salaries by the sum of the rates of inflation and productivity growth and thus clearly rejects a competition-based wage policy which does not exploit the ensuing scope of distribution. This is basically the content of the *Doorn Declaration*, which union wage bargaining negotiators (from Germany and the Benelux countries) agreed in December 1998. “The wage policy focus of the participating organisations aims primarily to prevent the collective bargaining wage dumping competition between affected states, which is desired by the employers. They see this neighbourly initiative as a step on the way to a European cooperation with respect to collective bargaining.” (Doorn 1998: 2)

In addition to its purpose of cross-border solidarity, wage-policy coordination also serves to promote private consumer demand and maintain monetary stability. Contrary to common assumptions, centralised wage agreements can very well contribute to keeping inflation rates low. It is interesting to note here

that claims for productivity-oriented wage policy in the post-war period have long been one of the central arguments of employers. They saw this as a means of restricting the calls for redistribution from an expansive wage policy (see Schulten 2004a: 108 et seq.).

What has prevented these suggestions being implemented up to now?

After the so-called Lehman crash, it briefly appeared that not only the economic, but also the ideological system of neoliberalism was facing a severe crisis. Even renowned conservative newspapers suddenly mooted John Maynard Keynes’ ideas of the “euthanasia of the rentier” or the socialisation of demand. Reflecting this zeitgeist, conservative FAZ financial markets editor Gerald Braunberger published a book entitled “*Keynes für Jedermann. Die Renaissance des Krisenökonomien* [Keynes for everyone. The renaissance of the crisis economist]” (Braunberger 2009). However, after implementation of the rescue packages for the banking sector and the financial markets in general,



these voices became noticeably less influential and suggestions for an increase of macroeconomic demand were heard only from expected quarters. The concepts for a reform of the European monetary architecture developed by the unions and their affiliated academics were once again facing staunch opposition from political and social forces who give austerity programmes, debt reduction and privatisation measures priority over an inner-European “transfer union”.

The economic crisis exit strategy announced by the European Commission in May of 2010 effectively illustrates the extent of the political hurdles that stand in the way of implementing the trade union alternatives. The austerity measures introduced by the Stability and Growth Pact are intended to “consolidate” public budgets. Since it is alleged that highly indebted countries have been living beyond their means, there is talk of introducing “necessary adjustments of costs and wages” and “budgetary discipline” for the national budget plans for 2011 as well as of “deepening and broadening economic surveillance arrangements” (European Commission 2010). Consequently, “all of the member states aside from Cyprus have already implemented drastic cutbacks on public expenditure, public services and healthcare systems, pensions, public sector wages, etc. Many member states are conversely increasing value-added taxes, social security contributions for employees and the legal retirement age.” (EuroMemo 2011: 39) There is apparently no scope under such conditions for an anti-cyclical employment policy that does not burden the weakest with the costs of the crisis.

With respect to the pan-European coordination of collective bargaining envisaged by unions, it is not just the institutional and legal prerequisites that are missing to date. A policy of this nature is simply considered superfluous by employers and also many politicians. But at least the dominant trend in collective

agreements since the 1980s has, as a result of pressure from companies and even central banks, moved away from comprehensive agreements and towards a large number of small-scale opening clauses and company agreements. It was only by way of such close-to-company agreements that the adjustment of wages to the changed competitive circumstances could be guaranteed. Together with employer associations, the European Council and European Commission have also worked towards a reduction of ancillary wage costs and social security contributions. Since these are actually wage components, in this respect too we must refer to a barrier to a wage policy of neutral distribution of income.

Apart from the opposition raised by neoliberal forces to a demand-oriented economic policy, even within European trade unions there are substantial reservations against a fundamental reform of European Monetary Union. These relate – not solely, but to a considerable extent – to the proposal for a more coordinated wage bargaining policy. On the one hand, you have the unionists who see more coordination of wage bargaining as a restriction of their bargaining autonomy. They object to a degradation of unions to mere transmission belts of Keynesian macroeconomics, due to the fact that wage corridors are practically fixed before wage bargaining or conflicts have even started. They also argue against the idea of a purely productivity-oriented (and thus relatively modest) wage policy by saying that unions would then be obliged to “expansively” ensure redistribution across the society as a whole. Particularly after a systematic reduction of wage levels over a very long period and an associated considerable rise in social polarisation they see little value in macro-corporatist consideration for a pan-European monetary and fiscal policy.

At the other end of the union spectrum, there are sceptics whose reservations against involvement in a pan-Eu-

ropean coordination of wage policy stem from incorporation into competitive-corporatist arrangements at national level. It's not in the exploitation of the productivity-oriented scope of distribution, but rather in its non-exploitation that they see a means of improving the competitive position of their "own business location" and the jobs there. In the first decade of European Monetary Union, a concept like this was pursued by many German unions in particular, whose low wage settlements and limited strike actions have contributed to the fact that the increase of unit labour costs in the FRG has remained considerably lower than in other countries. This even resulted in reductions in real wages between 2000 and 2007. Such a "moderate" collective bargaining agreement runs contrary to the principle of a consolidated international cooperation because unemployment is "exported" in the name of a securing of locations and accepting the consequence of stagnating wages; while employees in other countries consider themselves penalised for their offensive pay disputes (for a critical evaluation of this stance see: Scherrer 2010).

In addition to the various political reserves within Europe's trade unions there are also fundamental implementation difficulties. Although the European Trade Union Confederation is consciously not aspiring to pay agreements which are applicable throughout the EU, it is having a difficult time getting member associations to at least accept an obligation to comply with wage bargaining policy within the framework of this area in the future, it would still have to deal with the precondition that the wage agreements at national level were coordinated across sectors. "But the biggest problem is faced by countries like Great Britain or most of the eastern European states, which only have a decentralised wage bargaining system with company-based pay agreements." (Schulten 2004: 209)

Further reading

EuroMemo-Gruppe (2011): EuroMemo 2010/11. Der Krise entgegengetreten: Solidarität statt Sparkurs [Combating the crisis: Solidarity instead of austerity], in: Supplement to the German monthly magazine Sozialismus 3/2011.

Michael Heine / Hansjörg Herr (2004): Die Europäische Zentralbank. Eine kritische Einführung in die Strategie und Politik der EZB [The European Central Bank. A critical introduction to the strategy and policies of the ECB], Marburg.

Thorsten Schulten (2009): Zehn Jahre europäische Koordinierung der Tarifpolitik – eine Zwischenbilanz [Ten years of European coordination of wage policy – an interim review] [Paper for the conference „Für ein soziales Europa. Perspektiven für die Überwindung der Krise“, 21 March 2009 in Düsseldorf].

Lobbyism

Revolving doors, backrooms and lobbies

The chemicals directive *REACH* as an example of political influence at European level

★ Introduction

The following chapter presents and analyses the functions of lobbyism at the European level on the basis of examples. Based on an explicative background text and original sources made available, the causes and effects of lobbyism can be made accessible in a workshop and possible counterstrategies discussed. A concluding catalogue of possible questions

is intended to simplify the discussion. Of special interest for this chapter is the behaviour of unions whose members are also producers and consumers. It initially becomes clear that, with reference to REACH, there is not just *one* union position at European level, but at least two. The background to these varying positions needs to be explored, but also the status they enjoy in comparison to the lobbying of industrial and environmental associations.



★ Background

Lobbyism can be defined as the targeted exercise of influence by economic and social interest groups on political decision-making processes. Since these political decision-making processes encompass far more than just proceedings and voting in parliament, lobbying also goes far beyond the consultation of members of parliament, who, in systems of representative democracies, legitimately claim that their political opinions are dependent upon discussion with their voters. Thus lobbying often begins with inconspicuous attempts to give public debates a certain *spin*, extends to the wide field of political corruption (known in Germany as *Landschaftspflege*) and does not end with the provision of apparently neutral *expert knowledge*. Instead lobbying extends to attempts to exert more or less direct pressure on elected representatives, civil servants and other leading representatives of the Executive and Legislature. The often somewhat fuzzy crossovers between legal and illegal methods of lobbying have in

the USA led to at least partial regulation of these forms of political influence. If lobbyists want to take action in Congress in Washington, they must be accredited and publicly account for the nature and scope of their activities.

Even if these regulations are much more severe than those that apply in Brussels, they do little to change one basic problem: not every citizen has access to equal resources to make their interests count in the legislative process. On the contrary it is certainly unjustifiably easier for well-funded interest groups equipped with a liaison office and a well-established infrastructure to get their ideas heard than it is for an environmental association or even an individual citizen. In most cases a company will not even have to resort to an attempt at blatant bribery. A veiled reference to threatened job losses or a possible relocation is often quite sufficient to motivate politicians to drop an initiative deemed unfavourable from an employer viewpoint. In addition, decision-making processes at European level already have a democracy deficit in comparison to those made in



national frameworks. In attempting to exert influence on decision makers, lobbyists often do not even have to compete with the will of the voters.

From the viewpoint of wage-earners, this structurally asymmetrical system is a bit of a problem for several reasons. In democratic elections their vote may under certain circumstances carry less weight in the political process than the organised exertion of influence by their employers. Of course, the workers can also join a union or a consumer protection association and hope that this association represents their interest – still, this great effort puts the generally “poorer” organisations at a disadvantage in comparison to the “richer” organisations. But even if the “poorer” organisations do manage to be heard on behalf of their members, employees have a relatively slim chance (under the logic of representation) of managing to signal approval or rejection. Whether at the end of the day their membership fees result in the articulation of their true interests is not something under their control. In order to be able to change anything about this problem, it must first be properly understood.

The focus of the following case study is the dispute surrounding the EU Chemicals Directive REACH (**R**egistration, **E**valuation, **A**uthorisation and **R**estriction of **C**hemical substances). The circumstances under which REACH was discussed and concluded between 1998 and 2007 effectively highlight the influence which can be exercised on European decision-making processes by the various lobbyists – in this case especially environmental and consumer organisations on the one hand and associations representing the interests of the chemical industry on the other. REACH is not only one of the most highly contested EU legislative initiatives in recent times; it is also of such great importance because, as an economic journalist described, it is aimed directly “at the heart of the European industrial society” (Klawitter 2007a). After

all, the approval process not only determines which production processes can be maintained, but also which chemical toxins humans and their natural environment can be expected to tolerate.

Further reading

Marco Contiero (2006): Toxic Lobby. How the chemicals industry is trying to kill REACH, Brussels
[<http://www.greenpeace.org/international/en/publications/reports/toxic-lobby-how-the-chemical/>]

Jorgo Riss (2010): Chemical Warfare – the lobbying battle on REACH, in: Alter-EU (Ed.): Bursting the Brussels bubble. The battle to expose corporate lobbying at the heart of the EU, Brussels, pp. 33-47.
[<http://www.alter-eu.org/sites/default/files/documents/bursting-the-brussels-bubble.pdf>]

Tony Musu (2011): What role can unions play in Europe’s industrial policy? REACH shows the way, in: ETUI Policy Brief 3/2011, pp. 1-5.

Further viewing

Werner Boote (2009): Plastic Planet, Germany.

★ Workshop ideas

Handout: Timeline REACH

What players make up the lobby coalitions struggling with one another? Use the Internet to find other groups who were also involved in the REACH conflict! What means do lobbyists use to meet their goals? How are these means justified and how can they be criticised?

Consider whether and in what way your knowledge from the study of REACH could be applied to other political disputes!

Handout: REACH as a battlefield of union debates over industrial policy

What arguments are presented by the trade union advocates and opponents of REACH?

How can the differing opinions be explained?

Weigh up the pros and cons and formulate an individual standpoint on the question of whether trade unions should employ lobbyist tactics.





★ Handout Timeline REACH

- 1993** Against the background of the catastrophic chemical accidents in Seveso, Italy and Bhopal, India as well as the pressure exerted by environmental movements, the environment ministers of European member states request the industry to prepare a risk assessment of its 140 most dangerous substances. The chemical industry does not comply with this request. Therefore for most of the approximately 100,000 chemical substances in industrial use, it is not known – or not fully known – how dangerous they actually are for human beings and the environment. Just in relation to the world of work, the European Trade Union Institute (ETUI) estimates that 50,000 cases of respiratory diseases and 40,000 cases of occupational skin disorders per annum must be attributed to the effects of dangerous chemicals (Musu 2011: 2). Dangerous chemicals also get into the food chain and accumulate in the fatty tissues of arctic polar bears but also in human breastmilk. This now also contains elements of approximately 100 industrially-produced chemicals.
- 1999** Because their chemicals policy to date has not made any progress in environmental and health protection, at the request of the European Council of Environment Ministers, the Danish European Commissioner for the Environment, Ritt Bjerregaard, drafts a law for the stricter control and regulation of industrially-manufactured and processed chemical products.
- 2001** Under the aegis of Swedish European Commissioner for the Environment, Margot Wallström, a White Paper is presented for a new EU chemicals policy: **R**egistration, **E**valuation, **A**uthorisation and Restriction of **C**hemicals (REACH). This provides for a shift of the burden of proof into the hands of the manufacturers and importers, as well as the gradual substitution of highly toxic substances and comprehensive disclosure and information duties for the chemical industry (“no information – no market access”).
- 2002** With Jacques Chirac, Tony Blair and Gerhard Schröder as well as the Council of Environment Ministers and the European Parliament having already spoken out in favour of a tightening of the Chemicals Directive, the European Commission – headed by the Commissioner for Industry, Erkki Liikanen – turns the new Chemicals Directive into an issue of European competitiveness. At the same time, one of the most comprehensive industrial lobbying campaigns in the history of European Integration commences.
- March 2002** The German Federal Government, the German Chemical Industry Association *Verband der Chemischen Industrie* (VCI) and the German chemical trade union IG BCE publish a common position paper which urges that the EU in its environmental and health protection should not overlook “that at the same time affordable framework conditions must be ensured for the innovation ability and competitiveness of the chemical industry”. “We require regulations that achieve the effective protection of health and the environment at the lowest costs possible in quick, simple and reliable administrative processes.”
- March 2002** The State Department instructs US embassies in non-European countries to discuss “the subject of EU chemicals policy with relevant government officials (e.g. officials from the environment ministry, economic or trade ministry, and the ministry for for-

eign affairs) and the local business community” In these discussions, the planned EU policy should be presented as a “costly, burdensome, and complex regulatory system which could prove unworkable in its implementation” (Waxman 2004: 5).

- December 2002** In Paris, the umbrella association of the European chemical unions (EMCEF) and the European Chemical Employers Group (ECEG) sign an agreement on establishment of a permanent dialogue between the social partners at both national and European levels.
- December 2002** The publication of an expert’s report on the alleged economic consequences of REACH commissioned by the German industry federation *Bundesverband der Deutschen Industrie* (BDI) puts a number of European media organisations on alert. On the basis of strongly manipulated figures, the study by management consulting firm *Arthur D. Little* warns of a decline in sales and the loss of no less than 2.35 million jobs in Germany alone. As the business lobby is forced to admit (for example, even to the Federal Government’s Council of Experts) that the study is methodologically unsound, the horror scenarios have long since been picked up by many journalists. For many newspapers, the climb-down in February of 2003 is worthy of little more than a margin note.
- April 2003** In a dispatch marked “urgent” to US embassies in Europe, the US Secretary of State Powell endorses the interests of the American chemical industry and requests the embassies to support opponents of European REACH. It is therefore “important for posts to reiterate to the European Commission and EU member states our general concerns before the Commission reaches agreement on its formal proposal” (Waxman 2004).
- September 2003** The CEFIC president and former BASF manager Eggert Voscherau predicts that the new policy on chemicals would lead to a virtual de-industrialisation of Europe. By letter, Jacques Chirac, Tony Blair and Gerhard Schröder now ask European Commission President Romano Prodi to agree a substantial change in course for the policy on chemicals in the interests of the chemical industry’s global competitiveness. Whilst the UK and France relax their opinions somewhat over time, Germany’s red-green government continues to maintain its industry-friendly stance.
- October 2003** The European Commission announces its policy adjustment and adopts central demands that the chemical industry and the German government have made since 2002. The terms of approval for rarely used chemicals (less than 10 tons per year) are to be relaxed, far-reaching exemption circumstances approved, substitution regulations limited and trade secrets better protected. “Our greatest success with regard to the reduction of follow-on costs for companies was achieved in 2003 when we were able to move the Commission to accept a proposal with a realistic range”, says Judith Hackitt of the *United Kingdom Chemical Industry Association*, UKCIA (Contiero 2006: 19). Due to pressure from conservative EU parliamentarians (primarily from Germany), responsibility for REACH is shifted from the Directorate-General for the Environment to the Directorate-General for Enterprise and Industry and from the Council of Environment Ministers to the Competitiveness Council.
- November 2003** Together with leading representatives of the European chemical industry (CEFIC and ECEG), German chemical unionist Hubertus Schmoldt (chairman of the IG BCE) and Reinhard Reibsch (Secretary General of the EMCEF) publish a statement in which

they request the EU to subordinate the interests of environment and health protection to the interests of the competitiveness of the European chemical industry. A reworking of the policy on chemicals would probably have no positive effects on the already “well-regulated” occupational safety in the chemical industry (Schmoldt et al. 2003: 3).

- October 2004** Jean Paul Mingasson, chairman of the Directorate-General for Enterprise and Industry swaps from the European Commission to UNICE (*Union of Industrial and Employers' Confederations of Europe*) to be a consultant there. UNICE plays an important role in the lobbying efforts to undermine REACH.
- September 2005** Without consulting the remaining EU commissioners, Commission President Barroso, Environmental Commissioner Dimas and Commissioner for Industry Verheugen distribute a so-called *Room Paper* to EU parliamentarians and national governments in which they signal the entire Commission's readiness to accommodate the chemical industry still further on the important safety conditions in the REACH bill.
- November 2005** In the first reading of the REACH bill, the Parliament supports the substitution principle in which highly dangerous chemical substances must be substituted if harmless alternatives are available. A compromise negotiated by the conservative and the social democratic parliamentary group leaders – which exempts thousands of chemicals from the sphere of REACH's action – is also adopted by parliamentary majority.
- December 2005** During the first reading of the bill in the Council of Ministers, additional limitations are negotiated. German Chancellor Angela Merkel threatens to block the legislative initiative and several other member states only partly support the parliamentary substitution proposal. The member states agree again to drastically reduce the information requirements for thousands of chemicals.
- November 2006** Parliament negotiators, the Commission and the Council of Ministers agree to a bill for the second reading in the EU Parliament. On 13 December, REACH is put to a vote in a version severely modified in comparison to the original plans in the White Paper – there were no less than 1,038 amendments – and is passed by Parliament with 529 YES votes, 98 NO votes and 24 abstentions. REACH takes effect on 1 June 2007.
- 2009** In Helsinki, over 400 people work in the newly established European Chemicals Agency (ECHA) which monitors compliance with REACH regulations. Somewhat differently than originally planned with reference to the ‘polluter pays’ principle, industry is not held responsible for consequential damage from their products. Of the approximately 100,000 industrial chemicals currently in circulation, not all, but only 30,000 of them have to be examined for their effects on humans and the environment – in fact it will end up being even fewer. Carcinogenic chemicals or those harmful to reproduction are exempted from the substitution principle, which had provided in the medium term for the replacement of dangerous chemicals with less dangerous ones. Ultimately, the guideline contains only a few effective stipulations on improvement of health and safety in the workplace and the information requirements imposed on the industry have also been considerably reduced. “On a positive note however, it can be said in conclusion that, in the future, at least the non-decomposable materials and those that accumulate in the human body will have to be replaced by alternatives as soon as these are available. In addition, materials that are

manufactured in very large quantities can no longer be marketed untested. And the law allows consumers to demand information from companies at least about some particularly dangerous substances.” (Plastic Planet 2009: 5)

Source: This timeline is based on the information from the publications stated in the bibliography, but most particularly on Cantiero (2006) and Riss (2010).



★ Handout

REACH as a battlefield of union debates over industrial policy

IG BCE / German servicesector union ver.di / EMCEF

"The requirements of a new chemicals directive formulated by the EU could prove to be a considerable burden on the European chemical industry, if it endangered competitiveness and thus also jobs in this sector." (ver.di 2004)

"In order to strengthen the environment, employment status and the economy as a whole, the competitiveness of European industry must be given priority." (CEFIC/EMCEF 2003)

"We need regulations that achieve effective protection for health and the environment at the lowest possible costs in quick, simple and reliable administrative procedures." (IG BCE 2002)

"Some chemicals will no longer be available in the EU – this will lead to job losses in the chemical industry because certain productions will no longer be carried out." (EMCEF 2004)

"The new system should not create unnecessary bureaucratic hurdles and disproportionate obstacles that impair product variety and the chemical range on offer." (CEFIC/EMCEF 2003)

"The forwarding of the costs along the value chain to the final consumers will be difficult. This results in competitive disadvantages in comparison to non-European competitors." (EMCEF 2003)

"In particular, appropriate care must be taken to protect confidential business secrets against unfair competition." (CEFIC/EMCEF 2003)

ETUC / ETUI

REACH "is vital for the European economy as a whole and for the chemical industry in particular. It must enhance its capacity to come up with modern solutions for its future by developing criteria that embody respect for the environment and social responsibility." (ETUC 2005)

"REACH fits in with the approach set out in the Single European Act aimed at expressly linking the development of the internal market with respect for workers' rights and their protection in health and safety terms. ETUC believes that downstream users, like manufacturers and importers of chemical substances, must be responsible for all safety-related aspects of their products for that part of the life cycle in which they are involved, including recycling and disposal." (ETUC 2005)

"The direct costs to the European chemical industry, related mainly to the registration and testing of substances, are estimated at 2.3 billion over a period of 11 years (between 2.8 and 5.2 billion in total over 15 years including the indirect costs borne by downstream sectors). The health benefits are estimated at 50 billion over a 30 year period." (ETUC 2005)

"REACH should therefore significantly boost the effectiveness of the existing legislation on the protection of workers exposed to dangerous substances in various branches of industry and should help to combat the risk of occupational diseases." (ETUC 2005)

"In this framework, the producers will henceforth have to supply the appropriate information required to ensure the safe use of their products before those products can be marketed within the European Union. ETUC welcomes this adoption of the principle of shifting the burden of proof, and strongly supports it. ETUC calls upon all the economic actors to recognise the principles of registration and duty of care as general principles. ETUC also believes that the inclusion of other worrying substances should be facilitated in the authorisation procedure." (ETUC 2005)

"Indeed, the information generated by the REACH system should help employers to detect the presence of hazardous chemical agents in the workplace – a crucial first step without which all the other obligations simply could not be met." (ETUC 2005)

Source: Various German and English language Internet publications from the EU unions and umbrella organisations 2002–2005

The dogma of employability in criticism and practice

“The demand for a differentiation, flexibilisation and adaptability is clearly at odds with the current pay conditions, which continue to be based on the model of the “standard employment relationship”. Collective solutions are equally as incapable of dealing with the growing complexity and speed of change as the classification systems that are aimed primarily at the profession originally learned and remuneration models which discriminate against ‘non-standardised’ work models. A corresponding adjustment will be unavoidable in this case.”

Rump / Eilers 2006: 17

Introduction

This unit of the training handbook intends to draw attention to the spread of the concept of employability whilst at the same time stimulating critical reflection. *Employability* is a concept originating from management literature which is playing an increasingly important role in labour market policies as well as human resource management. The term is also used in the context of trade unions, meaning that a critical reflection of this approach could be instrumental

in ascertaining union capacity to act at shop-floor level. A central component of political interest representation is critical discussion of management concepts. We hope that this unit of the training handbook can assist in this matter.

Whilst in the 1960s and 1970s, the Taylorist organisation of work was criticised, for instance in Italy or Germany, from the viewpoint of the workers’ movement, strategies for employee involvement today are often based upon management initiatives. These strategies aim to devolve more personal responsibility upon each individual employee. Strategies to increase employability are accompanied by a supply-oriented labour market policy which shifts responsibility onto individual employees for their position on the labour market, thus abstracting from societal causes as a whole. Within companies, the concept of employability implies cooperative and individualised work relationships. Are these incompatible with the demand for a policy of representing the interests of employees, and if so, to what degree?

It is not only those competences which are professionally relevant in a stricter sense – the so-called *hard skills* taught in vocational training – which are relevant in the job application process;

the capabilities which would previously have been deemed “private matters” are also becoming increasingly important – matters such as “family management”. The formalisation of such *soft skills* is rendering every aspect of a person’s personality quantifiable for the labour market resulting in an exploitation of the individual under the banner of utilisation. In a best case scenario, an applicant’s hobbies are given a work-related ‘spin’ on his CV; in a worst case scenario, those leisure activities are managed to improve workplace functionality.

The concept of employability relies on the smooth functionality of employees and should, in times of a flexible management of personnel, work against concerns about being fired. This is backed by advocates of the approach like Jutta Rump, “Employees with a high level of employability have comparatively high chances of obtaining employment on the job market. If a company supports the development of employability, this will have a positive effect on its image, even during a process of job cuts. In addition, the promotion of employability and the consequent increased potential of getting a new job have a positive effect on the motivation and commitment of employees who remain in the company. Ultimately, the greater the chances of finding a new job on the labour market, and the greater the promotion of employees’ ability to adapt to new working conditions, the more positive the basic attitude of the remaining workers will be towards their employer and thus, the better their work ethic and efficiency.” (Rump / Eilers 2006)

★ Background

Employability is a term first used in 1926 by Sir Alexander Morris Carr-Saunders, an English biologist and economist who served as chairman of the British Eugenics Society and long-term director of the London School of Economics (see Kraus 2006: 115). Blancke/Roth/Schmid (2000) define employability as “a person’s ability, based on their professional competence and personal skills, to provide value creation and productivity in their work and thus step onto the career ladder, maintain their position or, if necessary, search for alternative employment.”

The term is used in a large amount of management literature and manuals on human resources. However, Speck (2008) adds the restriction that implementation of the concept into the company’s reality does not yet have the same significance as it does on the discursive level. Kraus (2006) also points out that employability is currently a predominantly political and economic discussion, “To a large extent, the publications on employability do not present the current (shop-floor) reality, even if individual practical examples already indicate implementation of the employability policy in companies. It is much more about a discourse – conducted and shaped up to now mainly by the economy and politics – which is intended to contribute to a change of just this shop-floor reality.”

“Employability instead of Job Security”: this title of an article by management consultant Jürg Honegger published in the magazine *Personalwirtschaft* in 2001 seems to have become a leitmotif in the decade since it was published. A group of major enterprises (including Deutsche Bank, Manpower, degussa and Deutsche Bahn) have, for example, founded the initiative “in eigener Sache. Fit in die berufliche Zukunft” (*On our own behalf. Fit for a professional future.*), with which employees should be encouraged to adopt the ten principles of employ-

ability. Among other things, the website dedicated to the initiative offers the opportunity to take a competency test and there are also materials and tests for school-age participants. The competency test encourages employees to become entrepreneurs on their own behalf stating, "Become an entrepreneur on your own behalf and develop the skills that will enable you to meet the demands of your company and the job market today and in the future. Keep yourself fit not only for your current workplace, but for all manner of jobs and various tasks!" (geva-institut 2005).

The concept of employability has assumed an important role in European Union politics at least since 1997 as part of the Luxemburg process of European Employment Strategy (EES). This strategy aims to coordinate the labour market policies within the member states and its four pillars included *employability* alongside the promotion of *entrepreneurship*, *adaptability*, and *equal opportunities for women and men*. The statement by the European Commission on the five year review of the EES from 2002 concluded that the effect of the strategy of employability had spread to the other pillars, "While a few Member States were already implementing policies largely in line with the key principles of activation and prevention before the launch of the EES, clear convergence can be noted for other Member States – albeit at different paces. The influence of the EES spread from the employability pillar to the other pillars of the strategy." (European Commission 2002: 9)

Since 2003, the EES has no longer been organised according to a pillar structure, but has instead followed three overall objectives, each with ten priorities. These nonetheless include the former "pillars", namely job creation and entrepreneurship, dealing with the change and promotion of adaptability, investment in human capital, and lifelong learning as well as gender equality. Up to 2005, the European Council and the Eu-

ropean Parliament issued annual *employment policy guidelines* for the EU member states. These also adopted *National Plans of Action* with which the guidelines were to be implemented. Since 2005, the employment policy guidelines have been integrated into the economic policy guidelines. In the current employment policy initiatives of the EU, the catchwords *lifelong learning* and *flexicurity* are in the forefront. However, the basic idea is based on the assumption that a flexibilisation of the labour markets is necessary and that employees must constantly adjust to the changing demands.

Further reading

Bob Jessop (2003): Changes in Welfare Regimes and the Search for Flexibility and Employability, in: Overbeek, Henk (Ed.): The Political Economy of European Unemployment. European Integration and the Transnationalization of the Employment Question. London/ New York, pp. 29-50.

Katrin Kraus (2006): Vom Beruf zur Employability? Zur Theorie einer Pädagogik des Erwerbs [From profession to employability? On the theory of a pedagogy of gainful employment], Wiesbaden.

Heinz Steinert (2004): Neue Flexibilität, neue Normierungen. Der zuverlässige Mensch in der Wissensgesellschaft [New flexibility, new standards. The reliable person in the knowledge society], Vienna. [http://www.links-netz.de/T_texte/T_steinert_disziplin.html]

★ Workshop ideas

In the course of the following chapter, you will be provided with some ideas on how to run a workshop or a unit on the topic of employability. The exercises are suitable either as an introduction to this topic, a knowledge consolidation phase, a utopian phase or as a conclusion to the workshop. They can be combined freely according to the modular principle. Following on from the workshop section are handouts that you can copy for the workshop participants.



Reflections on employability and alienation:

Butterflies versus trained gorillas

This exercise is intended to kick off a workshop for critical reflection on the management concept of employability. Each participant should be handed out a campaign photo of the German Federal Employment Agency from 2008, showing a woman sitting at a laptop in a factory hall wearing butterfly wings. The participants can then briefly consider what thoughts the photo evokes in them. You can follow this up by comparing this concept of employability with a quote from Frederick W. Taylor, in which he equates the skills required of a worker with those of a trained gorilla. This exercise should explore the alienation aspect of the two metaphors. The photo, the text passages and discussion questions are to be found in the *Handouts* section.

Brainstorming

A round of brainstorming should be conducted using the metaplan card associations for the terms *employability*, *lifelong learning*, *job market fitness* and *flexicurity* in order to find out what knowledge the participants may already have and provide an introduction to the discussion.

Research exercise

Divide up into four groups and research the Internet sites below: What is the purpose of the initiative? How long has it been in existence? Who are the players behind the initiative?

Group 1: *Wege zur Selbst GmbH* ['Ways to a Self Ltd.'] (<http://www.selbst-gmbh.de/>)

Group 2: *In eigener Sache. Fit für die berufliche Zukunft.* ['On our own behalf. Fit for a professional future'] (<http://www.in-eigener-sache.de/cps/rde/xchg/ies/style.xsl/index.html?startusr=no&rdeDmResult=-6502>)

Group 3: *Beschäftigungsfähigkeit sichern* [Securing Employability]. (<http://www.beschaefigungsfaeahigkeit-sichern.de>)

Group 4: *Das LernTeam* [The LearnTeam] (<http://www.lernteam.de>)

What measures are to be seen in your company with respect to employability? Discuss some of your experiences in small groups and then present these to the whole group!

Mañana: Critical reflection on time management concepts

Mañana, the Spanish word for 'tomorrow', epitomises a philosophy of life in which time pressure is suspended and things are often put off to the next day. However, the current reality often looks much different. A quick look at the digital clock in the right-hand corner of the screen and time is ever present. And then before you know it, the summer is over and Christmas is around the corner. Although time management seminars are geared towards teaching how to gain more time, they still convey an efficiency-oriented attitude to time. Thus, even in newer concepts, such as *Work-Life Balance*, leisure is intended to improve productivity in wage work. But is this leisure time really still self-determined? Is it actually free time? Consciously take an hour during the workshop to simply not plan or do anything, and try not to think about yesterday or tomorrow. After an hour has passed, talk about your experiences in small groups of three participants and compare them to your previous experiences of time management seminars, self-help books and the like. Present the results to the whole group.

The hour-lilies

You might know the children's book *Momo* by Michael Ende. In this story, the Men in Grey take control of the world and steal time from people by way of rationalisations, time which they then smoke in the form of the dried hour-lilies. In this exercise you cut flowers out of coloured cardboard, each flower with seven petals. You then write a situation on each leaf in which you felt (a past experience or a hope) that time stood still. Once everyone is finished, the flowers are placed in the middle of a circle of chairs and each participant can choose one that they examine and then present to the group.

Spirit of entrepreneurship meets the spectre of communism

It's the year 2020. The spirit of entrepreneurship quickly slurps down the rest of his trendy drink at the smart bar in the 'in' district of a European metropolis and leaves the bar to head for the airport. In a dark side street, he just happens to meet the spectre of communism. This leads to a heated discussion between them. Give free rein to your imagination and create a dialogue to present to the group.

★ Handout 1
Butterflies and trained gorillas.
A reflection on the topic of employability and alienation



This picture is from a further education campaign by the German Federal Employment Agency. It was captioned:

» She is developing the most important tool for the future: herself. The Bundesagentur für Arbeit (Federal Employment Agency) is having a qualification offensive. Join up now! With the campaign 'WeiterdurchBildung' ('progress by education'), we want to change people's attitudes. Regardless of whether you're an employer or employee, further education will help you progress. <<

Source: Campaign *Weiter durch Bildung* by the German Federal Employment Agency.
<http://www.arbeitsagentur.de> (from 24 September, 2008)

What do you think the campaign photo and the relevant text have to do with the term employability? Have you had experiences that you see represented by the photo? Compare this picture with the following quote from Frederick W. Taylor and discuss both under the aspect of alienation.

» The pig-iron handler stoops down, picks up a pig weighing about 92 pounds, walks for a few feet or yards and then drops it on to the ground or upon a pile. This work is so crude and elementary in its nature that the writer firmly believes that it would be possible to train an intelligent gorilla so as to be a more efficient pig-iron handler than any man can be. Yet it will be shown that the science of handling pig-iron is so great and amounts to so much that it is impossible for the man who is best suited to this type of work to understand the principles of this science, or even to work in accordance with these principles without the aid of a man better educated than he is. <<

(Taylor 1911: 30)

In 1911, Frederick Winslow Taylor described in his book "The Principles of Scientific Management" a work organisation rationalised by strictly measurable criteria. This became the dominant form of work organisation in Fordist capitalism.

★ Handout 2

Initiatives for spreading the management concept of employability

Three excerpts from presentations and initiatives are presented here which are used to spread the concept of employability. Please read through them thoroughly and discuss them in light of the following questions:

Which points particularly strike you from an employee's point of view?

Which consequences result from insisting that employees become *entrepreneurs on their own behalf*?

Does the concept of *employability* collide with the concept of collective bargaining?

Does it make sense to adopt the term *employability* in trade union education?

10 Components of employability

- »» *Initiative*: I make use of my chances.
- Personal responsibility*: I set goals for myself.
- Entrepreneurial thinking and action*: I am responsible for my performance.
- Diligence/self discipline*: I am dedicated.
- Willingness to learn*: I continue to learn.
- Teamwork capabilities*: I work well with others.
- Communication abilities*: I put across my opinion.
- Sensitivity*: I want to understand others.
- Ability to cope with pressure*: I behave prudently.
- Ability to deal with conflict*: I face difficult situations.
- Openness*: I am open to new experiences.
- Ability to reflect*: I regularly check my job market fitness.

Source: Jutta Rump / Silke Eilers: Managing Employability,
in: Jutta Rump / Thomas Sattelberger / Heinz Fischer (Eds.): Employability Management.
Grundlagen, Konzepte, Perspektiven, Wiesbaden 2006, pp. 13-76.

„Core theses“ of the initiative *Wege zur Selbst GmbH e.V.* [Ways to a Self Ltd.]

- »» 1. Confidence and personal responsibility rather than passivity
- 2. Competency development and job market capability (employability) instead of workplace fixation
- 3. Partner-based sharing of chances and risks instead of patriarchal corporate culture
- 4. Helping towards self-help instead of social 'hammock'
- 5. Flexible and individual solutions instead of general and rigid norms
- 6. Constructive dialogue instead of confrontation

Source: <http://www.selbst-gmbh.de/philosophie.htm>

Initiative “On our own behalf. Fit for a professional future”

»» Principle 3 – Entrepreneurial thinking and action

Your activities at your workplace are closely linked to the overall performance of the company. Thus, the success of the company is also relevant to you personally. So you should always keep in mind the company as a whole. In your job, try to not only carry out orders, but also to show personal initiative.

Look beyond the scope of your task area. The customer you run into, for example, on the factory premises, is also your customer, regardless of whether you work in sales or in the plant. That customer perceives you as part of the company. You are the company!

Making a task your own means also sharing responsibility for its results. We usually find this quite easy in case of success, but it is more complicated in case of failure. Thus, you should practice in your everyday life the ability to admit errors and take responsibility for them. Analyse the situation and develop alternatives for action. What path would have produced the desired result? What could be improved next time?

Offer, for instance, at your sports club to organise the next event or at least take on a small task in its preparation. This will give you the chance to prove yourself in an area outside your usual scope of activity and enable you afterwards to respond to other tasks to be completed on personal initiative.



Source: <http://in-eigener-sache.de>

Open issues on migration

The EU border regime: “The ideal worker is the worker who has no rights”

*“That’s the mood at the European borders.
Saving the lives of humans has become a
crime.”*

Gabriele del Grande,
award winner Pro-Asyl Hand 2010

★ Introduction

The removal of the EU’s internal frontiers since the Schengen agreement and the “amalgamation” of EU states have been accompanied by intense protection of the EU’s external frontiers and a media discourse characterised by an anonymisation of the refugees. The migrants seldom have the chance to express themselves and their journey in general is not seen as an active process. This has little to do with the concept of a *Social Europe*. In the idyllic fishing coves of the Mediterranean, for example in Greece, it has become normal for fishermen to find the bodies of refugees in their nets. According to calculations by the weblog *Fortress Europe*, at least 17,627 people have died since 1988 on Europe’s external borders. Many of them are buried without any mention of their name, simply with a number. The refugees that do make it to Europe are forced to live in restrictive conditions in the so-called reception

camps, deportation centres or communal accommodation. Journalists report bans on interviewing refugees in “reception camps” (see Report Mainz 2009).

The workshop ideas section describes the structure of a workshop unit intended to focus attention on the strategies for border security and the associated anonymisation of refugees. The workshop unit is made up of three parts which should enable a step-by-step critical reflection of the problem of the anonymisation of migrants and EU border politics, which in 2005 acquired its own institution upon creation of the border protection agency *Frontex*. The aim of this unit is to break through the anonymising presentation of refugees and enable consideration of their personal motivations and life paths. In conclusion, a discussion should be held on the motives behind the “illegalisation”. As can also be seen in some other chapters of the handbook, behind the strategies of the disfranchising and dehumanisation of refugees are the economic interests of profiteers who benefit from employing the cheapest possible workers, who are devoid of any kind of legal security, as harvest hands, caregivers or construction site workers. The vegetable and fruit plantations in Almería (Spain) and Rosarno (Italy) are just two of the many examples.

★ Background

Under the martial name of *Frontex*, the *European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union* has since 2005 been coordinating member states' efforts to safeguard the external frontiers of the EU. In addition to secret service and border patrol duties, the agency also provides training and conducts research. The *Rapid Border Intervention Teams* known as RABITs, offer the opportunity of using border protection officials from non-EU states at the external borders (Kasperek 2010: 113 et seq.).

Migration for economic reasons is being criminalised and the declin-

ing number of persons granted asylum shows that the chances of receiving political asylum have become extremely limited. Frontex is responsible for observing migration movements and protecting the borders using the most sophisticated technical devices, weapons and vehicles. For these duties, Frontex finds itself working not only within European borders, but also in international waters and the migrants' countries of origin. Frontex's practices show that refugee boats at sea are regularly forced back to their countries of origin, which leads to a number of deaths (Report Mainz from 5 October 2009, Pro-Asyl 2008: 2 et seq.). Ironically, the agency argues that it saves lives, stating, for instance, in its business report from 2009, "Thanks to the permanent implementation of the



Joint Operation Hera 2009 and to better co-operation of the involved African countries, there was a notable reduction in the number of migrants arriving on the Canary Islands (rounded 2,280 /9,200), as well as those apprehended in the place of departure. Optimised aerial and maritime surveillance close to the territory of Senegal and Mauritania, connected with police co-operation and information campaigns, led into a drastic decrease of migrants and contributed to the saving of human lives.” (Frontex 2009: 43) In light of the about-turn of European policy on Libya, the following quote is very revealing, “Due to the bilateral agreement between Italy and Libya, the number of people arriving from Libya, as well as the number of migrants who died at sea, decreased dramatically

during Joint Operation Hermes 2009”. (Frontex 2009: 44)

The cold, technical language of the Frontex agency reads like the business report of a ministry of defence. Military terms such as an *increase of operative intensity, actions, operations* or even *integrated border management* euphemistically disguise the human tragedy that they create on a daily basis. The *operations* with which Frontex first identifies the migrants as a risk and then combats this risk on a coordinated European basis with police assistance and military means are named after Greek gods. Poseidon, Hera or Hermes mythically suggest a European identity stemming from ancient times and thus legitimise the fortress of Europe, which leaves human rights issues out in the cold.



Further reading

Sabine Hess / Bernd Kasperek (Eds.) (2010): Grenzregime. Diskurse, Praktiken, Institutionen in Europa [Border regimes. Discourse, practice and institutions in Europe], Berlin/Hamburg.

Anna Berkenbusch / Sebastian Haustein / Friederike Kühne / Bastian Renner (2008): Geschlossene Gesellschaft [Closed community], Berlin.

Gabriele Del Grande (2008): Mamadou's Fahrt in den Tod. Die Tragödie der irregulären Migranten im Mittelmeer [Mamadou's death journey. The tragedy of the irregular migrants in the Mediterranean], Karlsruhe.

Further surfing

Welcome to Europe. Independent information for refugees and migrants coming to Europe:
<http://www.w2eu.info/>

Borderline Europe is a human rights NGO. It works against fortressing Europe and the deadly results this isolation could bring by means of publicity, networking and lobbying work:
<http://www.borderline-europe.de/>

The blog Fortress Europe documents the victims on the EU's external frontiers:
<http://fortresseurope.blogspot.com/>

Migreurop is a French NGO network:
<http://www.migreurop.org/rubrique286.html?lang=en>

Network of critical border regime research:
<http://kritnet.org/>

★ Workshop ideas

Introduction – Humans, not numbers

Write the number 17,627 on a chalkboard or project it onto the wall and let the participants first guess what this number means. The exercise should get participants thinking about the individual life stories that make up this number. After an initial discussion, you can read Gabriele Del Grande's text out loud. Since 1988, at least 17,627 people have died on the EU's external borders. This estimate is taken from the weblog *Fortress-Europe* by Italian journalist and author Gabriele del Grande, who estimates and regularly updates the number of refugees who have died on the EU's external borders based on newspaper articles (<http://fortresseurope.blogspot.com/>).

Initial reflections on the topic

Arrange the chairs in a circle and place in the middle of the circle cards on the back of which are quotes, numbers or photos on the topic of borders and EU refugee and asylum policy. Each participant now selects a card from the middle of the circle of chairs and then shares his thoughts on the card selected. This should be followed by a discussion and reflection of the quotes and images. In the Handouts section you will find several quotes and photos that you can use for this, and even supplement yourselves. The sheet can also be distributed to the participants as a whole, which makes it particularly effective for contrasting the official, euphemistic statements, for example of the EU border protection agency Frontex, with the actual conditions. When assembling the cards for use, you should ensure that they reflect these contradictions. The materials you will need are cards with the quotes and photos. You can gradually supplement these with your own or those of the participants. You should certainly allow half an hour for this exercise and give the participants enough time to think about their respective cards.

Everyday racism

With this exercise, a media analysis should enable identification of the racist lines of argument used in everyday media reporting. Statements by openly extreme right-wing politicians and parties are immediately noticeable and are criticised by a wide spectrum of voices. An example of one such statement is quoted from Jean Marie Le Pen, former chairman of the French *Front National*, "But of course I am taking care of the children of the illegals. That is why they will be leaving with their parents!" (quoted from Berkenbusch et al. 2008: 143). The Italian *Lega Nord* uses an election poster featuring a ship with refugees and the slogan "We've stopped the invasion". But even in our everyday mass media, such as the public-funded TV channel ARD in Germany, a closer analysis reveals racist lines of argument supporting the metaphor "The boat is full" and which are based, among other things, on migrants not having a voice, but rather being presented simply as an anonymous mass. In this exercise, the participants should watch a report from the ARD's news and information programme *Morgenmagazin* and then discuss it based on the questions in the attached handout. The exercise should last about 45 minutes. Alternatively, the participants can search for racist lines of argument in daily newspapers.

Opposing anonymisation – Voice I

This exercise is intended to present migration as an active process and allow the voices and individual life stories of the refugees to be heard. Unlike the ARD *Morgenmagazin* report, the documentary by Report Mainz provides background information on the

human rights issues raised by the illegal procedures of the border protection agency Frontex in securing the EU's external borders. It presents especially the viewpoint of the Senegalese refugees who relate their experiences and their motivations for migration in interviews. This exercise should last approx. 40 minutes.

Opposing anonymisation – Voice II

At the beginning of 2011, some 300 migrants in Greece began a hunger strike which was ended after 44 days in March. The strikers had negotiated a compromise with the Greek government which however – contrary to the original demand for collective solutions – only produced individual solutions and a toleration for six months. The call to strike printed in the handout effectively captures the mood of the migrants, their motivation for migrating and the courage and strength they have needed to draw attention to their demands for humane and equal living and working conditions. The strikers are countering European policy efforts to combat migration with a campaign against outlawing migration. The call can be read aloud by one participant and then discussed. This exercise should last approx. 30 minutes.

Sensitising to the links between “illegalisation” and exploitative practices

The points already raised in the call to strike are put across more strongly in the printed interview with Italian reporter Fabrizio Gatti. The participants can discuss in light of the interview who actually profits from the illegalisation of immigration. The chief reporter of the Italian news magazine *Espresso* analyses the motives for outlawing migrants so as to use them as cheap labour devoid of rights on the informal economy. Participants can first study the article in a silent reading period and then discuss it as a group.

★ Handout

Introduction. The tragedy of irregular migrants in the Mediterranean

»» The dead sometimes wash ashore in Zarzis and the island of Djerba in the south of Tunisia. There they are removed by the fishermen. There are naked bodies in the fishing nets, cadavers in blue jeans, skeletons, algae and t-shirts. These are the same coasts where Homer once sent Odysseus and his companions, seduced by fair sirens, and where thousands of tourists will take their vacations. This is where the Mediterranean cemetery begins. Along these very beaches between Zarzis and Ras Jedir, Mohsen Lidhiheb has spent eleven years – after he finishes his daily shift at the local post office – collecting items which the sea washes ashore along the 150 kilometres of beaches. These are predominantly plastic bottles, but also surfboards, hemp ropes, turtles, neon lamps, helmets, sponges, planks of wood and burst air bags. Mohsen has created a museum with them, the Museum of *Memoria del Mare* (Memories of the Sea). Memories made of plastic, created from works of art on the absurdities of modern man, the salvaged remains recovered on ecological expeditions at sea. One of the installations in the middle of his garden, which is surrounded by a wall of plastic bottles, is dedicated to Mamadou. It is a pile consisting of at least 150 pairs of shoes. There are new shoes, sports' shoes and young people's shoes. These are not items that people throw away. These are the shoes of castaways. Mohsen preserves them together with hundreds of shirts, jackets, trousers, sweaters and T-shirts that he has collected from the beach. They have been torn from the bodies that are buried at sea. They have all been washed and hung up neatly under an awning. "They are the only monument to the memory of the large scale deaths taking place here", says Mohsen. For some time now, the sea has been flushing the bodies of castaways onto the beaches of Zarzis. Outside of the city, on the way to Ben Garden near the border, there is a sort of secret cemetery in the dunes. No-one knows where it is, but it is certain that it exists and that at least around 60 people are buried there. At first they brought the dead to the cemeteries of Zarzis, but the bodies just became too many. And the penetrating smell that cut through the air after the trucks with the corpses passed through did not evaporate for after a good while afterwards.

Source: Gabriele del Grande: Mamadous Fahrt in den Tod. Die Tragödie der irregulären Migranten im Mittelmeer [Mamadou's death journey. The tragedy of the irregular migrants in the Mediterranean], Karlsruhe 2008, pp. 165-166.

★ Handout
Initial reflection on the topic of EU border regime

Select a quote or picture and talk about the thoughts it evokes in you.

“Member States’ bilateral collaboration agreements with third countries of departure, such as Libya on the Central Mediterranean route and Senegal and Mauritania on the Western African route were very successful in reducing the number of departures of illegal migrants from Africa.”

Frontex, 2009



“The ideal worker is the worker who has no rights.”

Fabrizio Gatti, chief reporter for the news magazine L’Espresso, on the logic of the informal Italian economy, which generates 23 percent of Italy’s gross domestic product.



“We’ve stopped the invasion.”
Campaign poster of the Lega Nord

“Integration is the enemy of democracy”

Call “Democracy instead of Integration” initiated by the Netzwerk Kritische Migrations- und Grenzregimeforschung, October 2010

“You must know that no human being is ‘illegal’. That is a contradiction in terms. Human beings can be beautiful or more beautiful, they can be fat or skinny, they can be right or wrong, but illegal? How can a human being be illegal?”

Elie Wiesel

17,627

people have died since 1988 while trying to immigrate to Europe according to statistics in the blog Fortress Europe, written by Gabriele del Grande. The estimated number of unrecorded cases is much higher.

★ Handout

Everyday racism. Media analysis

Report from the ARD's Morgenmagazin (3 April 2011)

<http://www.ardmediathek.de/ard/servlet/content/3517136?documentId=6841022>

Watch the piece (several times if you wish) and then discuss the following questions:

- What image does the report convey to you about the refugees on Lampedusa?
- What metaphors does the piece use?
- Do you feel that this report could be seen as racist?
- Who is given their say here?

Report from the programme Report Mainz

<http://www.youtube.com/watch?v=9Q4ZcWeTEiE&feature=related>

Watch the piece (several times if you wish) and then discuss the following questions:

- What do you notice in comparison to the previous report?
- How do they differ?
- How do the Senegalese migrants describe their situation?

★ Handout Opposing anonymisation

Declaration of the assembly of migrant hunger strikers (January 2011)

» We are migrant men and women from all over Greece. We came here due to poverty, unemployment, wars and dictatorships. The multinational companies and their political servants did not leave another choice for us than risking ten times our lives to arrive in Europe's door. The West that is depriving our countries while having much better living conditions is our only chance to live as humans. We came (either with regular entry or not) in Greece and we are working to support ourselves and our families. We live without dignity, in the darkness of illegality in order to benefit employers and state's services from the harsh exploitation of our labour. We live from our sweat and with the dream, some day, to have equal rights with our Greek fellow workers.

During the last period our life has become even more unbearable. As salaries and pensions are cut and everything is getting more expensive, the migrants are presented as those to blame, as those whose fault is the abjection and harsh exploitation of Greek workers and small businessmen. The propaganda of fascist and racist parties and groups is nowadays the official state discourse for issues of migration. The far right discourse is reproduced through media when they talk about us. The "proposals" of the far right are announced as governmental policies: wall in Evros, floating detention centres and European army in the Aegean, repression in the cities, massive deportations. They want to convince Greek workers that, all in a sudden, we are a threat to them, that we are to blame for the unprecedented attack from their own governments.

The answer to the lies and the cruelty has to be given now and it will come from us, from migrant men and women. We are going in the front line, with our own lives to stop this injustice. We ask the legalization of all migrant men and women, we ask for equal political and social rights and obligations with Greek workers. We ask from our Greek fellow workers, from every person suffering from exploitation to stand next to us. We ask them to support our struggle. Not to let the lie, the injustice, the fascism and the autarchy of the political and economic elites to be dominant in their own places too; all these conditions that are dominant in our countries and led us to migrate, us and our children, in order to be able to live with dignity. We don't have another way to make our voices heard, to make you learn about our rights. Three hundred (300) of us will start a Hunger Strike in Athens and in Thessaloniki, in the 25th of January. We risk our lives, as, one way or another, this is no life for people with dignity. We prefer to die here rather our children to suffer what we have been through.

January 2011, Assembly of migrant hunger strikers



Source: <http://w2eu.net/2011/01/18/300-migrants-hunger-strike-greece/>

★ Handout “The ideal worker is the worker who has no rights”

Fabrizio Gatti is the chief reporter of the Italian news magazine L'Espresso. For one of his commentaries he travelled with African emigrants on one of the notorious transit routes from Africa to Europe. The German weekly Jungle World spoke with him about his experiences on the African desert trail and the living and working conditions that awaited the migrants in Italy. His travel report Bilal – Viaggiare, lavorare, morire da clandestini was also published in Germany and France.

Interview: Catrin Dingler

» You travelled together with African migrants from Africa to Europe. Why did you do this?

I felt it was my professional duty. For years I had been looking for migrants who were prepared to be interviewed, because I knew that African immigrants suffered a very arduous journey. But people who have suffered violence, humiliation and abuse often don't want to talk about it. Yet I needed to ask these people about their most intimate experiences in order to be able to publically denounce what happens on the transit routes to Europe. As a journalist, I was always something of a voyeur, and I was tired of that.

The transit route through the Sahara is perilous.

What I have been reporting from Ténéré is shocking, but I was lucky enough to have the protection my ID and passport afforded me. The Italian passport consists of two stiffened covers with 32 pages in between but for me it was a bit like a flying carpet. It became clear to me that an immigrant working illegally on a construction site in Europe is risking much more than someone making this journey with a European passport. The people truly risking their lives on the transit route were my African travelling companions who did not have a passport which granted them such advantages.



Although you describe in detail the dangers that your fellow travellers faced, the migrants do not appear to be predominantly victims. To what extent did the shared journey change your view of the African migrants?

The image we have in Europe is distorted. We constantly hear about the “Journey of the Desperate”. In reality, those who make such a journey are not desperate, but rather full of hope; otherwise they wouldn’t attempt this journey nor survive the many terrible trials of the journey. The emigrants are embracing the greatest freedom that a human has; they have decided to strive for an improvement in their living conditions. I wanted to give these people – who have been totally depersonalised by the xenophobic propaganda in Europe – their identity back. When a refugee boat goes down, we say that 200 *clandestini* (“illegals”) have died, but each of these *clandestini* has a name, an age, a history... The depersonalisation of the migrants initiates a process of dehumanisation which ultimately makes it possible to put their fate in the hands of horrific dictators. This is how the deportation agreement between Italy and Libya came about.

You did not receive a transit visa for Libya, but you remained in contact with two Liberians, who sent E-mails reporting the abuses that African migrants suffer there. Although these conditions have been known for years, Italy still maintains a policy of deportation to Libya.

The Libyan head of state Muḥammad al-Gaddafi uses the migrants as political leverage to break the embargo against Libya. And Europe – not only Italy – uses this in turn to negotiate investments in the Libyan crude oil and natural gas industries. You could call this *Realpolitik*, but this is not an issue about commodity prices, it is about the lives of thousands of people. The Europeans are saying, “I’ll invest, but in return I’m sending the refugees back to you”. Gaddafi accepts the deportations, abandons the migrants in the desert and lets them die there. Nobody is doing anything against this. These are pogroms against Africans for which Europe is partially responsible.



The defence policy in the Mediterranean is often propagated by the European governments as a necessary battle against smuggling organisations.

This theory clearly expresses Europe's hypocrisy, upon which the immigration policies of most European countries are based. Italian immigration law demands that anyone who grew up in Egypt or in Western Africa and wants to move to Europe has to present themselves at the Italian embassy in their own country and either wait for one of the few rationed places for legal entry or provide a written job offer from their future employer. There are so many obstacles to legal entry that what is known as illegal entry becomes the only option for the migrants.

As the Kurdish castaway Bilal, you finally landed on Lampedusa. You didn't write this chapter in the first person, but rather from the viewpoint of a stranger who arrives in Europe for the first time. Why? Because the shocking experiences in the refugee camp were easier to describe in the third person?

The green gate of the camp at Lampedusa marks a boundary. As a stranded person, I was still someone to whom first aid was given. But once I passed through that gate, I became a clandestino. This gate was the border between the democratic order we want to follow in Europe and the total disenfranchising suffered by people who find themselves locked in there. One evening, as I lay on a pallet in one of the overcrowded sleeping halls, I heard the Pink Floyd song "Wish you were here" on one of the guards' radio. There are a series of questions in the text of that song and I felt as though these were directed straight at me, here on Lampedusa, as a European citizen. There's one line that says, "So, so you think you can tell / heaven from hell?"

Your report unleashed a great deal of moral outrage. But your book doesn't seem to have brought about any political consequences.

It's clear to me that I myself am part of the European hypocrisy. It is possible that I am being used as an alibi along the lines of, "Look how free and democratic we are. We allow our journalists to criticise our politics openly and relentlessly". I am neither an extremist nor a political activist; I am a journalist, a witness to history. I think European politicians have to be forced to take responsibility for their actions. If they want to continue to conduct this policy then they should also have the courage to stand up in the European Parliament and demand the abolition of the European Convention on Human Rights instead of claiming that their immigration policies are there to combat trafficking organisations. You don't combat them by sending immigrants back to Libya, but rather by creating opportunities for immigration which are appropriate to the immense demand for workers.

Are illegal migrant workers in such demand in Italy?

Approximately 23 percent of Italy's gross domestic product is generated in the so-called informal economy, which is characterised by corruption, tax evasion, mafia infiltration and massive exploitation. For almost a quarter of the Italian economy, the ideal worker is therefore one who has no rights and who is susceptible to blackmail at any time. Anyone who wants to control migration movements will also have to ensure that the economy operates on a legal basis. Since the centre-right government does not do this, it creates an imbalance. Due to the tightened border controls, the risk

to migrants increases along with the price of transit, whilst employers can continue to exploit illegal workers devoid of rights. And that is precisely the goal of the Italian laws on immigration.

At the beginning of the year, a revolt by African migrants in the small Calabria town of Rosarno revealed the slave-like living and working conditions in the southern Italian agricultural system. For years, there hasn't been any improvement in this sector. Is slavery being accepted as a normal status?

The agricultural industry in southern Italy is dominated by Mafia organisations. Many are accomplices to this culture of violence whilst others remain silent because they are afraid. Anyone going against the system is living dangerously. The mafia organisations start by taking advantage of the political and economic customs. Following the deregulation of recent years this means we have a free market economy in its purest form. Workers are only allowed to enter illegally, they are exploited but for all other purposes ignored. When their work capacities are no longer required, they should just disappear. If the state doesn't deport them fast enough, the mafia organisations will get rid of them as they see fit: with violence.

In Rosarno, the "illegals" were not only expelled, there was actually a targeted hunt for the "black man".

This was a deliberate exchange: The Africans were to be replaced with Romanian and Bulgarian workers. The three-day witch hunt for the migrants was reminiscent of scenes from the film "Mississippi Burning". The worst of it was that the government made the migrants responsible for the "unrest", rather than the system of the Calabrian 'Ndrangheta. The actions of Interior Minister Roberto Maroni are a disgrace. In the end, he gave the injured persons a residence permit for "humanitarian reasons". But those who were not lucky enough to get injured remained "illegal".

The revolts of African workers against this system of exploitation are becoming more frequent. Has Italy left the fight against the Mafia organisations to the migrants?

It would be dramatic if Italy were to leave this battle to people who have just arrived in our country and represent a societal minority. There were two large revolts, but at what price? Not far from Napoli, six Africans were shot two years ago. In Rosarno in January, the entire African community became a Mafia target. These desperate revolts occur because there is absolutely no form of civil societal mediation. Naturally, there are individual initiatives, but they are the exceptions that confirm the system.



Source: Catrin Dingler's conversation with Fabrizio Gatti about his journey with African migrants via a transit route to Europe appeared in: Jungle World, 11 March 2010.
Reprint with permission from the newspaper staff.

“Periphery and the sea of plastic”:

The production of European supermarket vegetables in Andalusian Almería

★ Introduction

In February 2011 the British newspaper *The Guardian* published a dossier denouncing the “modern forms of slavery” in European food production (Lawrence 2011). Since it recalls European colonial crimes, the slave owner regimes in the Americas and the forced labour organized by the Nazis, the accusation that there are still modernised forms of slavery in the European Union today is certainly a very grave one.

To support their theory, *The Guardian* firstly cited definitions prepared by the International Labour Organisation (ILO). According to these, undocumented migrants are, for instance, in a predicament which is very easily exploited, “Victims can be faced with the difficult choice between accepting highly exploitative conditions of work and running the risk of deportation to their home countries if they seek redress.” (ILO 2005: 2) Secondly, the accusation of the left-wing liberal journalist is supported by her own research into the southern Spanish vegetable industry which documents an extremely far-reaching lack of protection for the undocumented migrants: the extreme material hardship of the work-

ers, their status as legal pariahs, an arbitrariness on the part of employers who are even prepared to use violence and a national authority obviously allied with the plantation owners.

The purpose of this chapter is firstly to draw attention by way of the background information to the socio-economic conditions in the Andalusian agricultural industry. According to an outlined overview of important milestones in recent Andalusian social history, it is therefore particularly important to cover the supermarket corporations as the main profiteers of the food chain as well as the shocking living and working conditions of the migrant workers. As will be shown clearly by the background information at the end, structures of racist exploitation play a central role in this system.

Secondly, the descriptions of a few workshop ideas – which can also be used as handouts – are intended to stimulate consideration of how an understanding of the relationships in the *greenhouse of Europe* could be converted into political education processes. Specific suggestions are (i) conception of a campaign, (ii) analysis of documentary films on the issue, (iii) performance of an independent YouTube survey and (iv) work to expand Wikipedia entries dealing with this issue.

★ Background

Andalucía – from the poorhouse of Spain to the greenhouse of Europe

Like the whole of southern Spain, the province of Almería in the far south-east of the Iberian peninsula is part of the autonomous region of Andalucía. Due in particular to its agricultural focus and limited industrial development, up until well into the second half of the 20th century Andalucía was known as the “poorhouse” of Spain. Following the dramatic defeat of agricultural workers’ anarchism in the Spanish civil war, large-scale land ownership, the Catholic church and the “security forces” of the Guardia Civil – now using the methods of dictatorial Fascism – continued to control the region for decades.

In order to escape the violent conditions of poverty, unemployment and repression, a mass Andalusian exodus into the Spanish cities and the industrial regions of western Europe – particularly France, Germany and Switzerland – was already underway during the Franco regime. According to estimates, in the 1960s alone around 900,000 Andalusians left their homeland – the total number of emigrants from Andalucía is probably over two million. The province of Almería was also little more than an abandoned desert-like area at the beginning of the 1970s – the town of El Ejido for example consisted of just 4000 inhabitants and the surrounding areas contained at most a couple of dozen greenhouses.

It was the industrialisation of vegetable production which completely transformed the face of this landscape. Water supply from the north, agricultural subsidies from the European Community (which Spain joined in 1986) and returning emigrants who used their savings to build new greenhouses meant that today the plastic-covered areas in Andalucía total around 400 square kilometres and can supply a large proportion of European demand for vegetables. El Ejido now has

more than 100,000 inhabitants and with its national record for “number of banks per citizen” is today one of the richest communities in Spain.

The flip side of the boom is to be seen in the narrow passages of free space between the greenhouses: makeshift shelters constructed from old plastic sheets and planks house the migrant workers without whom this vegetable production would grind to a halt. Since the beginning of the 1990s the greenhouse owners have recruited their harvest workers mainly from the army of (north) African migrants who come to try their luck in Europe. Like Spain as a whole, Almería too is in the process of becoming an immigration state and as such has again become a flashpoint of the conflict between rich and poor.

Down the food chain

It is impossible to understand agro-industrial vegetable production in Almería without reference to the supermarket corporations to whose stores these greenhouse vegetables are sent before they end up in the saucepans and salad bowls of European consumers. Food production is after all what is known as a *chain of buyers*. It differs from its counterpart, the *chain of sellers*, in that it is the wholesaler buyers rather than the large-scale producers who exercise the greatest influence on production conditions. In other words, unlike the automotive industry, for instance, here the traders call the shots.

Although the surviving supermarket chains and discounters are now in global competition with each other, in Europe alone they control around 80 percent of the food trade – 90 percent in Germany. As a result of their vast buying power, it is they who decide (rather than the wholesalers who were dominant up to the end of the 1980s) what goods are produced, in which quantities and at what conditions on the southernmost tip of Europe – it can no longer seriously be considered ‘cultivation’ in the tradi-

tional sense, due to the level of mechanisation and use of chemicals in the operating processes.

Denis Brutsaert of the *European Civic Forum* describes how the power of supermarkets works at the other end of the food chain as follows, "Orders no longer come in just in the mornings. Buyers operate according to the demands of the supermarkets and call at any time of the day. They order a whole lorry load – or at least one, two or three pallets – for a certain place at a certain time. So it's impossible to employ a fixed number of workers because suddenly you will need fifteen people for two hours. You need a reserve army, unemployed, people on social benefits, black market employees." (cited according to Bell 2003)

There is another observation to support the theory that the price war for the cheapest vegetable is being fought at the expense of "illegal" immigrant workers. The greenhouse owners who have achieved new wealth in Almería have become, in practical terms, sub-contractors for the supermarket corporations. They are in tough competition against

each other, but that's why they all have an equally large interest in cheap workers, preferably also devoid of legal rights, who can be hired off the street every morning. So rather than an uncontrolled collection of small enterprises, the sea of plastic around El Ejido more closely resembles a single gigantic factory in which there are workers, foremen, executives and – somewhere a long way off – a corporate management board.

Working in the greenhouse of Europe

Who are the 80,000 to 100,000 workers who produce discount vegetables in the Andalusian plastic sea of agrobusiness and supermarket chains? Most of them come from former European colonies north or south of the Sahara, but some also come from the eastern European periphery. Many have risked a lot of money or even their lives to get to Spain, they have neither passports nor residence permits and are therefore especially vulnerable to blackmail. But the harvest workers are still not as powerless as the owners would like. For fear of strikes and acts of sabotage they have for some years been



recruiting young Moroccan mothers in the hope that their family obligations could dampen their ability to mount resistance.

In any case it seems that the threat of open violence is needed to get work done in the greenhouse of Europe: the Andalusian summers are very hot anyway, but the work in muggy vegetable tunnels at temperatures often in excess of 40 degrees is so exhausting that it is hard to imagine that either Spaniards or any other western European would be willing to do it. Many of the illegal migrants who are hired on a daily basis by the small-scale enterprises often don't even get enough to drink during their working day, which can be anything from two to sixteen hours long. They spray poisonous pesticides without any protective clothing – never mind healthcare or even health insurance. And all that for an average wage of EUR 240 a month!

Many agricultural workers are actually barred access by the police to the tourist areas on the Costa del Sol or even the town of El Ejido. In order to have

somewhere to sleep they are forced to build makeshift plastic shelters between the greenhouses. Here they have no access to drinking water, sanitary facilities or electricity. One report on the slums inside this agricultural production plant states, "In the water tanks which serve to irrigate the greenhouses, and which are generally the only source of water for the inhabitants of the *Chabola*, old pesticide canisters float on the surface. There is a notice 'Prohibido banarse' on the side of the tank and farmer Juan Alonso is irritated that the workers still climb in to fetch water. 'Eventually one of them won't make it back out, we've seen it before, and then it's my tank he's croaked in'." (cited according to NoLager 2008: 22)

El Ejido and resistance by migrant workers

Racism against (north) African migrant workers is an integral part of the agro-industrial complex of Almería. Its effects unfold on at least three levels: globally as a prosperity gap between north and south secured by the paramilitary, re-



gionally as an informal system of socio-spatial Apartheid and day-to-day as the exploitation and humiliation of immigrants by mainstream Spanish society. Juan Enciso – agricultural entrepreneur and mayor of El Ejido for many years, as well as a right-wing flank man of the arch-conservative *Partido Popular* – expressed the prevailing opinion towards the migrants with remarkable clarity: “As long as the immigrants are working they are benefiting our community. But afterwards they have to get on the bus and be gone by seven o’clock in the evening.” (quoted acc. to Stobart 2009: 31)

But even if immigrants do not violate the quasi-official “work and obey” imperative, they still feel under threat of physical violence. The most spectacular example for this is the pogrom that El Ejido’s *lumpenbourgeoisie* (André Gunder Frank) visited upon Moroccan workers at the beginning of February 2000.

When it became known around the town that the *Moors* allegedly had murdered a Spanish woman, hoards of youths and nouveau-riche vegetable tunnel owners (including members of the mayor’s family) took to the streets with iron bars and baseball bats in full view of passive police officers and conducted a witch hunt against migrant workers over three days and nights. In the course of the racist attacks, the shelters of harvest workers were destroyed, cafés set on fire and Moroccans brutally assaulted. At least 374 immigrants were injured and 221 were left without shelter. Afterwards the town authorities even stopped the Red Cross from putting up makeshift shelters.

The migrant workers quickly organised resistance to demand a stop to the violence. With a week-long general strike in the middle of the harvest period they paralysed production of winter vegetables and forced concessions from the owners. Despite the fact that these agreements were recanted after the strike was called off, migrant work-

ers and NGOs continued to work on establishing structures for mutual aid and defence. The Andalusian agricultural workers’ union SOC (Sindicato de Obreros del Campo) was thus able to establish two contact points to help, for instance, cheated workers claim the wages owed to them.

Further reading

NoLager Bremen / European Civic Forum (Eds.) (2008): *Peripherie und Plastikmeer* [Periphery and plastic sea]. *Globale Landwirtschaft – Migration – Widerstand*, Vienna.

Sissel Brodal (2006): *Moderne Sklavenarbeit in der Europäischen Landwirtschaft* [Modern slavery in the European agricultural industry], in: *Widerspruch* 51/2006, pp. 155-163

Andy Higginbottom (2000): *Super-Exploitation of Immigrant Labour in Europe. The Case of Intense Agriculture in Spain* [Paper to the CSE conference “Global Capital and Global Struggles. Strategies, Alliances, Alternatives”, London 1/2 July 2000]

Gaston Kirsche (2000): *Ketchup El Ejido. Migration, Rassismus und gewerkschaftliche (Selbst-)Organisation in Spanien* [Ketchup El Ejido. Migration, racism and trade union (self) organisation in Spain], in: *express* 6-7/2000.

★ Workshop ideas und handouts

Conception of a campaign

Since the racist pogrom at El Ejido in 2000, the working and living conditions of the migrant harvest workers have been repeatedly highlighted and criticised in the European media. Cheap fruit and vegetables here – exploitation and environmental destruction there; nouveau riche agricultural operators against migrant workers without rights and their makeshift wooden huts in the middle of a plastic sea of European corporations: there is no shortage of spectacular contrasts when the spotlight is cast on Almería. Nevertheless, food production is not the only sector in which production conditions have the makings of a media scandal.

- Consider first through a detailed study of the website of the European Civic Forum (<http://www.forumcivique.org/>), what means of publicity this group has used to focus attention on the situation in Almería. Concentrate not only on content and methods but also on target groups, resources and strategies.
- Think about the working conditions which should urgently be brought to the attention of a wider public. Bring in your own experiences and knowledge. Discuss how you could obtain background or even inside information as soon as you have chosen a topic.
- Formulate ideas, against the background of the publicity work of the European Civic Forum, on which target groups you could sensitise to conditions in the section of the working world you have chosen and how this could be achieved. How could a collaboration be achieved with those 'affected', who are generally also 'actors'?
- Present your ideas to the workshop participants, first explaining your motivation for selecting this topic. Then present as clearly as possible how this subject could be tackled in terms of publicity. And finally think too about what problems might be created by political publicity work.

Analysis of film material

Besides numerous newspaper reports and brochures, since the beginning of the 2000s there have also been a series of documentaries and television reports made on the subject of "Andalucian vegetable production for the European supermarket chains". Some of these have also been uploaded onto the video portal YouTube:

- Rundschau am Mittwoch (CH 2008): Tomaten im Winter. Bootsflüchtlinge arbeiten schwarz for Großverteiler [Tomatoes in winter, the boat people's illegal work for major distributors], broadcast on television channel SF 1 on 30 January 2008 (YouTube title: "Lebensbedingungen in El Ejido" <http://www.youtube.com/watch?v=IEXdWCxuCh4>)
- Globus TV (D 2009): Spanische Tomaten [Spanish tomatoes], broadcast date unknown. <http://www.youtube.com/watch?v=BnOdkLULDcQ>
- The Guardian (UK 2011): Salad slaves: Who really provides our vegetables. <http://www.guardian.co.uk/environment/video/2011/feb/07/food-spain-migrants>
- Jawal Rhalib (F/B 2006): El Dorado unter Plastik [El Dorado under plastic]. Broadcast on TV channel arte on 15 October 2010, (YouTube title: "La loi du profit – El Dorado unter Plastik" <http://www.youtube.com/watch?v=wgYNF5jO32Q>)
- ElEjidoAgricultura08 (E 2008): (YouTube title: "Intensive Agriculture in El Ejido" <http://www.youtube.com/watch?v=B-V9IfwhOW0&feature=related>)

- Erwin Wagenhofer (A 2005): We feed the World (YouTube title of the Almeria section: “O Porquê dos tomates viajarem 3000 km” <http://www.youtube.com/watch?v=pW1qdIwtgcY>)
- ➔ Form small groups and decide which group is to watch which film. Although all of them deal with more or less the same topic, the emphasis is different in each and they also reach different conclusions. Make notes while watching the film and then discuss within the groups the means used by the filmmakers to try to achieve their alleged political goal. Prepare a short presentation in which you introduce the film and present your analysis to the plenum.
- ➔ Discuss after you have seen the various presentations which film you consider most successful for the purpose of union-related educational work and which you feel was less successful.

Initiation of a YouTube survey

Technology makes it possible: many mobile phones nowadays can record short or even longer film sequences. The ease with which moving pictures can be produced and distributed has led to the creation in recent years of media such as YouTube and also contributed to the enormous growth in the significance of social networks like Facebook. As can be demonstrated not least by the revolts in the Arab world, this ‘democratisation’ of technical means also has a political dimension: publicity for grievances and undesirable developments seems to be much easier to achieve than in the times where television stations and newspaper publishers could be relatively sure of their monopoly over published images. For trade unionists too this development is highly significant: it is perhaps easier than it used to be to wound the Goliaths of the media landscape and their advertising clients with pin prick tactics.

The subject of the production conditions of our supermarket vegetables is well suited to publicise working conditions or conversely to ask the public about their awareness of working conditions. The idea of the exercise introduced here is therefore to ask supermarket customers their opinions on the production of the vegetables they have just purchased. Prepare yourselves for a survey like this by finding out about the plastic sea on the peripheries of Europe. Think up questions you would like to ask the public. The first question must of course be something like, “We are conducting a YouTube survey for xy on the subject of food production. Could we ask you a few questions?” After all, every survey participant has a justified interest in knowing what will be done with their responses – if someone refuses to be filmed that must of course be respected.

Another couple of tips that may be useful: when conducting your YouTube survey on this topic, the idea is not to confront or shame survey participants with their presumed or actual ignorance. Give a few indications of the production methods yourself and then ask the purchaser’s opinion again. When you think you have filmed a sufficient number of statements, please also allow enough time for the film production – there are probably more film producers than you think in your area. Add a brief introduction to the survey and only put it online when the whole film team is really happy with it.

Improving Wikipedia

Google loves Wikipedia! As you will have noticed, articles from this online 'collective intelligence' encyclopaedia are always fairly near the top of the matches list in any search results. That means that they are also very frequently called up. For hundreds of thousands of authors this is incentive enough to make an anonymous contribution to improving this freely available body of knowledge. In this way Wikipedia not only becomes more extensive, but also noticeably more reliable. So why not share your knowledge with others?

Assuming that you have not only developed an interest in the incredibly diverse subject area of international food chains, but have also on your own initiative intensified your knowledge of certain specific issues – what is to stop you making freely available the answers to questions such as these: How has the plastic-covered area of Andalucia expanded over the last 50 years? What labour battles have there been and are still going on in this vegetable plantations system? What exactly was the sequence of events in the pogrom against Moroccan migrant workers in winter 2000? Which supermarket chains influence price setting and production? How, why, where and when did the Andalusian agricultural workers' union SOC also start to organise migrant workers from Morocco? What are the ecological consequences of the intensive agricultural use of the former semi-deserts around Almería?

There is a great deal of information already on the Internet, for a great deal more you will have to consult books or perhaps even academic journals for advice. Narrow down your topic as far as possible, work out a plausible structure and start by gathering available information with full details of sources. Above all don't be afraid of the writing: in the left-hand pull-down menu on the Homepage of Wikipedia you will find useful tips on the formal design and content (or even further development) of articles under "Help" and "Authors' portal". And if you should get stuck, the Wikipedia community will certainly help you. Even if your articles are not immediately included in the "List of excellent articles" – don't be disheartened by criticism but see it instead as part of a collective discussion process. You can be sure that your contribution will help someone who has also wisely decided to inform themselves: for instance on the plight of the Andalusian agricultural workers.

Internationalism in theory and practice

Historic and current disputes on the idea of a “Social Europe”

“You can’t fall in love with a single market”
Jacques Delors

★ Introduction

Like other commonly used terms of political debate, the buzzword *Social Europe* is also fairly unselective. As this chapter will show, it is linked to a number of very different expectations that only initially seem to be united in wanting to distance themselves from an “unsocial” corporate Europe as much as from a welfare state defined exclusively nationally (or even globally). It remains unclear whether such a Europeanised form of social policy is to be understood as a programmatic goal, an unrealistic utopia, a possible economic advantage in global competition or a description of the status quo and thus surrogate identity. But what a *Social Europe* is or is not or what it should or should not be is certainly not self-explanatory. The various meanings of the term that still play an equally important role in current union and party

debates on European policy can only be better understood when they are seen in the historical and political contexts in which they were developed and popularised.

A short history of the idea of *Social Europe* cannot therefore begin with initial application of the actual term by French socialist and former European Commission President Jacques Delors in the 1980s. Before the word was coined, at the latest in the context of WWI, representatives of the workers’ movement discussed intensely and heatedly the issue of whether the vision of the *United States of Europe* could be a suitable means of overcoming differences and imperialist conflicts in the cross-border social democratic interests of the workers in various European states. Using this debate as an example, but also in light of the subsequent application of this buzzword, an initial overview should be given – illustrated in each case by a short, but characteristic quote – as to which players with which interests and which inner logic used or opposed the political buzzword *Social Europe*.

★ Background

“Impossible or reactionary”

“Workers of all countries, unite!” is the well-known imperative that concludes the Communist Manifesto by Karl Marx and Friedrich Engels. How much or how little this internationalist creed had to do with the ideas of actual workers’ organisations can already be seen from the Leipzig draft for a program introduced by Ferdinand Lassalles’ General German Workers’ Association (ADAV) in 1866.

Similar to the draft resolution of the International Workingmen’s Association a year later, here the creation of a German national state is seen only as an intermediate stage on the way to *European* unification of the suppressed interests of the “Fourth Estate”, “German unification is understood by the German Workers’ Party as the centralised German ‘people’s state’ and the party strives for this as the beginning of a solidarity-driven European state.” (ADAV 1866 quote according to Schäfer 1998: 13)

For many leading figures in the German workers’ movement, among them August Bebel, Karl Kautsky and Eduard Bernstein, a future European (welfare) state also became an important goal.

In the “Age of Empire” (Eric Hobsbawm), the social democratic right-wing in particular became increasingly strongly linked to bourgeois concepts of Europe such as those represented by German National Liberal Friedrich Naumann, who envisaged a “Central Europe” under German leadership.

Serving as an example for this convergence is a quote from an article by the revisionist Richard Calwer, who taught as an economist at German trade union colleges, published in 1905 in the bulletin “Sozialistische Monatshefte” (Monthly Socialist Pamphlet). Similar to Naumann, Calwer sought opportunities to ‘strengthen’ the German Empire’s economic position in the worldwide show of

strength against the USA and England on the one hand and Russia and Japan on the other hand. He came to the conclusion that it was in the best interests of German “expansion possibilities”, to create a common “large market” in Europe “by eliminating the economic, politic and national barriers between European countries – with the exception of England and Russia”. He also stated, “The advantages that would ensue from Europe being a unified economic area are of such immense value for the entire future economic constitution of Europe that the socialistic working class must work first and foremost towards the realisation of this goal.” (Calwerin 1905 quoted according to Schäfer 1998: 16)

Calwer stressed common characteristics with continental Europe mainly to place more emphasis on the contrasts with England, the USA and Russia. Furthermore, it was important to him to integrate the workers’ organisations into just such an economic constitution. Such visions of creating an openly social-imperialist European bloc were met with keen resistance from the oppositional left wing of the labour movement. In a famous quote during WWI, Lenin stated that a “United States of Europe under capitalist conditions was either impossible or reactionary” (see Handout).

This prognosis made by Lenin in 1915 proved to be correct, at least in as much that the unification of Europe did indeed prove impossible over the next three to four decades. European political expectations as they were formulated by German social democrats at their Heidelberg party conference in 1925 (the SPD “supports creation of the European economic entity, creation of a United States of Europe to achieve solidarity of the interests of people of all continents” – SPD 1925, quoted according to Schäfer 1998: 25) could not prevail against the aggressiveness, particularly of the German quest for global power.

Committed Europeans

After Europe was liberated from Fascism, substantial steps for integration were possible for the first time under the conditions of the allied occupation of Germany, the Cold War and the American super power. Although there was at least western European unity in this project in its initial decade, above all with respect to economic and military policies, there were also demands, not only for the democratisation of European decision-making processes, but also at the latest in the 1970s with the increase of unemployment there were also calls for a social aspect to integration. These “committed Europeans,” who articulated this matter most prominently, certainly included French socialist Jacques Delors. Under the aegis of his European Commission Presidency (1985 to 1995), not only was the European single market planned and realised (with the free movement of capital, labour, goods and services), but Monetary Union was also advanced with the Maastricht Treaty in 1992.

Jacques Delors was no dreamer, but rather a very pragmatic socialist. As Economics and Finance Minister under François Mitterrand, he was responsible for transition to the austerity policy and thus in fact for the failure of the French

leftist government at the beginning of the 1980s. Behind Delors’ enthusiasm for a *Social Europe* was a political calculation that was no less sober. He saw welfare state cushioning as a necessary condition for the success and stability of the European single market project. On the one hand, expected social distortions (including their possible political consequences) should be smoothed out, yet on the other hand, he also wanted to ensure expansion of the direct political basis for the economic community. It was no coincidence then that in 1988 Jacques Delors turned to British unions of all things. They had long been extremely eurosceptic, but due to the neoliberal attacks of the equally eurosceptic Thatcher government, they now saw themselves pushed into an extreme defensive position. In his speech at the TUC conference, which was greeted enthusiastically by delegates and even answered with renditions of “Frère Jacques”, Jacques Delors was successful in pulling many British trade unionists across into the pro-European camp and convincing them of the possibility of a *Social Europe*. Margaret Thatcher’s outrage appeared to prove him right. When the Conservative Prime Minister heard about Delors’ speech, it is claimed she



was furious and talked about “socialism through the back door” (see Handout).

What does the modernisation of Europe mean?

“The purpose of our social model”, as British Prime Minister Tony Blair claimed in a speech to the EU Parliament in Brussels in 2005, “should be to enhance our ability to compete, to help our people cope with globalisation, to let them embrace its opportunities and avoid its dangers. Of course we need a social Europe. But it must be a social Europe that works.” (Blair 2005) This short passage already contains, in a condensed form, important indicators as to what social democrats in the mid-1990s meant when they talked of a *Social Europe*. After the “third wave of revisionism” (Donald Sassoon), European centre-left parties abandoned their hitherto central programme – still discernible in the case of Jacques Delors – which claimed that welfare state interventions into the economy and society were a necessary counterweight to the crisis-ridden and inequality-supporting dynamics of capitalist accumulation. Under the impressions of the end of the Soviet Union, a renewed drive towards globalisation, and the digital revolution, this Keynesian heritage was largely left behind. In its place came a social policy whose workfarist orientation (»duty and rights«) was primarily intended to increase national competitiveness. According to this “supply-oriented” logic, companies should be encouraged to create jobs by tax reductions, a relaxing of dismissal protection, deregulation and a reduction of employers’ contributions to social security. At the same time, the unemployed had to accept lower transfer benefits, reduced protection of existing standards and greater pressure to take a job – even if it was one in the low-wage sector to be established. Critics of the new policy appeared old-fashioned when they criticised the fact that the self-appointed “lobby of the common man” appeared obviously willing, in the inter-

est of their march towards neoliberalism, to support the reduction of social services as a desirable investment incentive. In contrast, “modern” social democrats such as Gerhard Schröder and Tony Blair opposed this with the argument that for establishment of a *Social Europe* it was necessary above all to reduce mass unemployment. Economic growth and, as a result, also the creation of new jobs could best be achieved under the conditions of globalisation by way of “active” support of market forces by the state (see Handout).

Further reading

Joachim Beerhorst / Hans-Jürgen Urban (Eds.) (2005): Handlungsfeld Europäische Integration. Gewerkschaftspolitik in und für Europa [Project European Integration. Union policies in and for Europe], Hamburg.

Jörg Huffschmid (1994): Wem gehört Europa? Vol. 1: Wirtschaftspolitik in der EG; Vol. 2: Kapitalstrategien, [Who owns Europe? Vol. 1: Economic Policy in the EC; Vol. 2: Capital strategies] Heilbronn.

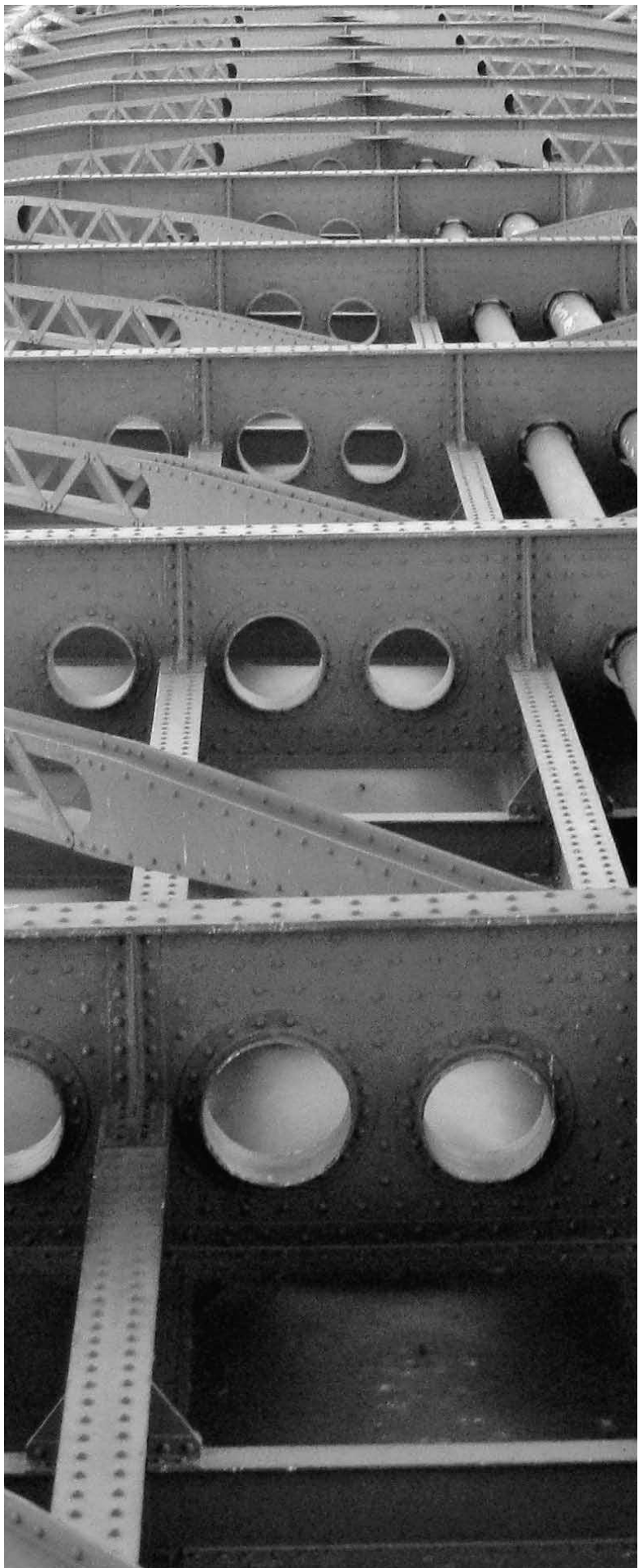
Donald Sassoon (1996): One Hundred Years of Socialism. The West European Left in the Twentieth Century, London.

★ Workshop ideas

The background text can be used by team leaders to give participants a short historical overview of the idea of a *Social Europe*. Following on from this introduction, the three source texts by Lenin, Delors and Blair/Schröder can be distributed to the participants.

Another possibility is a comparative assessment considering the following questions: Which concept of Europe do the authors represent? What attitude do the texts directly or (in the case of Lenin) indirectly take on the idea of *Social Europe*? How do the authors justify their position? Which political strategies are associated with their concepts? What objections can be formulated against the respective statements and in what respects do they appear to be plausible?

After the working groups have presented their results, a plenum discussion can be used to debate which concept of Europe best establishes access to the controversies of current European policy.



★ Handouts

Vladimir Ilyich Lenin: On the Slogan for a United States of Europe

» [...] From the standpoint of the economic conditions of imperialism – i.e., the export of capital and the division of the world by the “advanced” and “civilised” colonial powers – a United States of Europe, under capitalism, is either impossible or reactionary. Capital has become international and monopolist. The world has been carved up by a handful of Great Powers, i.e., powers successful in the great plunder and oppression of nations. The four Great Powers of Europe – Britain, France, Russia and Germany, with an aggregate population of between 250,000,000 and 300,000,000, and an area of about 7,000,000 square kilometres – possess colonies with a population of *almost 500 million* (494,500,000) and an area of 64,600,000 square kilometres, i.e., almost half the surface of the globe (133,000,000 square kilometres, exclusive of Arctic and Antarctic regions). [...] A United States of Europe under capitalism is tantamount to an agreement on the partition of colonies. Under capitalism, however, no other basis and no other principle of division are possible except force. A multi-millionaire cannot share the “national income” of a capitalist country with anyone otherwise than “in proportion to the capital invested” (with a bonus thrown in, so that the biggest capital may receive more than its share). Capitalism is private ownership of the means of production, and anarchy in production. To advocate a “just” division of income on such a basis is sheer Proudhonism, stupid philistinism. No division can be effected otherwise than in “proportion to strength”, and strength changes with the course of economic development. Following 1871, the rate of Germany’s accession of strength was three or four times as rapid as that of Britain and France, and of Japan about ten times as rapid as Russia’s. There is and there can be no other way of testing the real might of a capitalist state than by war. War does not contradict the fundamentals of private property – on the contrary, it is a direct and inevitable outcome of those fundamentals. Under capitalism the smooth economic growth of individual enterprises or individual states is impossible. Under capitalism, there are no other means of restoring the periodically disturbed equilibrium than crises in industry and wars in politics. Of course, *temporary* agreements are possible between capitalists and between states. In this sense a United States of Europe is possible as an agreement between the *European capitalists* ... but to what end? Only for the purpose of jointly suppressing socialism in Europe, of jointly protecting colonial booty *against* Japan and America, who have been badly done out of their share by the present partition of colonies, and the increase of whose might during the last fifty years has been immeasurably more rapid than that of backward and monarchist Europe, now turning senile. Compared with the United States of America, Europe as a whole denotes economic stagnation. On the present economic basis, i.e., under capitalism, a United States of Europe would signify an organisation of reaction to retard America’s more rapid development. The times when the cause of democracy and socialism was associated only with Europe alone have gone for ever.

«

Source: Vladimir Ilyich Lenin (1915): On the Slogan for a United States of Europe, in: Idem: Collected Works vol. 21, pp. 339-349, Moscow 1974. [first published in: „Social-Democrat“ No. 44, 23 August 1915].

Speech of Jacques Delors to the Trade Union conference of the British federation *Trade Union Congress* (TUC) in Bournemouth on 8 September 1988



[...] It is essential to strengthen our control of our economic and social development, of our technology, and of our monetary capacity. We must rely on our own resources, and preserve our European identity. We must pool our resources. In keeping with this spirit, there must be full and broad consultation with those involved in the production of wealth. Since we are all closely dependent on each other, our futures are linked. Jointly, we can enjoy the advantages to be derived from this situation. [...]

The social dimension is very important. Our Europe also needs clear rules and respect for the law. While we are trying to pool our efforts, it would be unacceptable for unfair practices to distort the interplay of economic forces. It would be unacceptable for Europe to become a source of social regression, while we are trying to rediscover together the road to prosperity and employment. The European Commission has suggested the following principles on which to base the definition and implementation of these rules. First, measures adopted to complete the large market should not diminish the level of social protection already achieved in the member states. Second, the internal market should be designed to benefit each and every citizen of the Community; it is therefore, necessary to improve workers' living and working conditions, and to provide better protection for their health and safety at work. Third, the measures to be taken will concern the area of collective bargaining and legislation at European level. These are the principles for the action of the European Commission and its President. Now we must make concrete progress. For this, we need the contribution of the architects. In May last year, when addressing the European Trade Union Confederation, I made three proposals which were designed to show clearly the social dimension of the European construction, and you have noted them in your report. They are, first, the establishment of a platform of guaranteed social rights, containing general principles, such as every worker's right to be covered by a collective agreement – this is so simple but the following is more complicated – and more specific measures concerning, for example, the status of temporary work, to struggle against the dismantling of the labour market. Second, the creation of a statute for European companies which would include the participation of workers or their representatives. Those concerned could opt, on the basis of their tradition and wishes, between three formulae of participation; in respect of diversity of views, the proposal is on the table of the Council of Ministers, and I hope for a quick decision by the 12 governments. Third, the extension to all workers of the right to life-long education in a changing society. This would be done on the basis of existing provisions – different in each country – and after, through the social dialogue, full consultation of unions and management. I intend to hold a meeting with the chiefs of national trade union organisations and the chief employers' organisations in January, at the beginning of the new Commission, to announce the social dialogue on a concrete and realistic basis. These initial proposals should be studied and discussed. Other suggestions from both sides of industry are welcome. In my opinion, social dialogue and collective bargaining are essential pillars of our democratic society and social progress.



Source: Speech of Jacques Delors to the Trade Union conference of the British federation *Trade Union Congress* (TUC) in Bournemouth on 8 September 1988.
Jacques Delors (1988): Speech, in: TUC Annual Congress Report 1988, London, pp. 568-70.

Tony Blair / Gerhard Schröder (1999): Europe. The Third Way

» [...] In a world of ever more rapid globalisation and scientific changes we need to create the conditions in which existing businesses can prosper and adapt, and new businesses can be set up and grow. New technologies radically change the nature of work and internationalise the organisation of production. With one hand they de-skill and make some businesses obsolete, with another they create new business and vocational opportunities. The most important task of modernisation is to invest in human capital: to make the individual and businesses fit for the knowledge-based economy of the future. Having the same job for life is a thing of the past. Social democrats must accommodate the growing demands for flexibility and at the same time maintain minimum social standards, help families to cope with change and open up fresh opportunities for those who are unable to keep pace. [...]

Our countries have different traditions in dealings between state, industry, trade unions and social groups, but we share a conviction that traditional conflicts at the workplace must be overcome. This, above all, means rekindling a spirit of community and solidarity, strengthening partnership and dialogue between all groups in society and developing a new consensus for change and reform. We want all groups in society to share our joint commitment to the new directions set out in this Declaration. [...]

We want to see real partnership at work, with employees having the opportunity of sharing the rewards of success with employers. We support modern trade unions protecting individuals against arbitrary behaviour, and working in co-operation with employers to manage change and create long-term prosperity. In Europe – under the umbrella of a European employment pact – we will strive to pursue an ongoing dialogue with the social partners that supports, not hinders, necessary economic change. [...]

The task facing Europe is to meet the challenge of the global economy while maintaining social cohesion in the face of real and perceived uncertainty. Rising employment and expanding job opportunities are the best guarantee of a cohesive society. [...]

Product market competition and open trade is essential to stimulate productivity and growth. For that reason a framework that allows market forces to work properly is essential to economic success and a pre-condition of a more successful employment policy. The EU should continue to act as a resolute force for liberalisation of world trade. The EU should build on the achievements of the single market to strengthen an economic framework conducive to productivity growth. [...]

Successful *Welfare to Work* programmes raise incomes for those previously out of work as well as improve the supply of labour available to employers. Modern economic policy aims to increase the after-tax income of workers and at the same time decrease the costs of labour to the employer. The reduction of non-wage labour costs through structural reform of social security systems and a more employment friendly tax and contribution structure that looks to the future is therefore of particular importance. [...]

To make the European economy more dynamic, we also need to make it more flexible. Companies must have room for manoeuvre to take advantage of improved economic conditions and seize new opportunities: they must not be gagged by rules and regulations. Product, capital and labour

markets must all be flexible. We must not combine rigidity in one part of the economic system with openness and dynamism in the rest. Adaptability and flexibility are at an increasing premium in the knowledge-based service economy of the future.[...]

Periods of unemployment in an economy without jobs for life must become an opportunity to attain qualifications and foster personal development. Part-time work and low-paid work are better than no work because they ease the transition from unemployment to jobs. New policies to offer unemployed people jobs and training are a social democratic priority – but we also expect everyone to take up the opportunity offered. But providing people with the skills and abilities to enter the workforce is not enough. The tax and benefits systems need to make sure it is in people’s interests to work. A streamlined and modernised tax and benefits system is a significant component of the left’s active supply-side labour market policy. [...]



Source: Tony Blair / Gerhard Schröder (1999): Europe. The Third Way (The Blair/Schröder-Proposal), n.p. [<http://library.fes.de/pdf-files/bueros/suedafrika/02828.pdf>]

Wage dumping via transnational posting of workers?

The 'nationalisation' of social conflicts illustrated by the 2009 winter strikes in the British energy industry

★ Introduction

A construction company announced that it wanted to employ posted workers from Italy and Portugal at a British construction site not under British working conditions, but rather under the Italian or Portuguese conditions. Within days, the British oil and energy industry was consumed by a wave of wildcat strikes the like of which the UK had not seen for decades. Construction workers reminded British Premier Gordon Brown of his promise to create "British Jobs for British Workers" whilst rightist tabloids showed sympathy for the strikers and the government's crisis committee even took to meeting for talks in an underground bunker in light of threatening bottlenecks in the oil supply. Events became even more dramatic in the winter of 2009 due to the

fact that they were played out against a background of the worst economic and financial crisis since the Great Depression.

Was the industrial conflict that started in an oil refinery in the central English town of Lindsey really an attempt by employees to limit the practice of wage dumping? Or should it on the other hand be understood as an indication of how easily social conflicts can acquire nationalistic overtones, especially in times of crisis? The following unit intends to employ the "talk show" concept as an instrument by which to examine and discuss the question of "nationalising" social conflicts. A background text that should be read by all participants and a total of six "role cards" describing the arguments of the relevant groups of players are also components of this unit, as well as a possible timetable and scheduling plan for the talk show.

★ Background

In 2004, the oil company Total announced that it wanted to commission construction of a desulfurisation plant on the site of its refinery located in the central England town of Lindsey. As is common in the construction industry, certain components of the construction contract were “subcontracted” along a chain, that is, they were passed on to various subcontractors. The Italian company IREM was awarded a subcontract in December of 2008 in the course of a European-wide tendering procedure and announced that it would only utilise its Italian and Portuguese employees in completing the work. In response to this, hundreds of construction workers refused to work as from 28 January 2009, and did so without an official call to strike from the union (thus conducting an “illegal” strike). Within a short period of time, workers throughout the entire British energy industry lent support to their colleagues with (similarly “illegal”) solidarity strikes. Numerous placards – especially in the first few days of the industrial conflict, which lasted two weeks – used the slogan “British Jobs for British Workers”, which was taken up approvingly not only by the rightist tabloid press. Even the fascist British National Party (BNP) sought contact to the strikers, but was rejected by them. Some strike activists tried instead to replace the nationalistic slogan with the internationalist “Workers of all Countries, Unite!” They also made contact with the foreign posted workers for whom the company was providing accommodation on a houseboat. In multilingual flyers the strikers demanded compliance with the collective bargaining agreements applicable in the English plant construction industry as well as the additional hiring of labour forces from the region.

The strike action, which gained considerable public attention, was provisionally suspended when the construction company agreed to hire 102 workers from the region in addition to its own

employees. With that, half of the “British jobs” went to applicants from the UK. A part of the agreement was that no foreign workers should lose their jobs. But when in the summer of 2009, the Total corporation wanted to sack 51 workers instead of (as is usually the case) passing them along to a company with a follow-up job it seemed to trade union members that, despite the pledges of the winter agreement, strike participants were now to be punished. This led to renewed work stoppages at various power plant sites. The strikers only resumed work once their demands for the reinstatement of sacked colleagues were met by Total.

In order to understand the strike, there are three very important pieces of background information: The EU Directive on posted workers, the financial and economic crisis which had begun in 2007 and, last but not least, the nationalistic tones of Gordon Brown’s Labour Government. At speeches to union congresses and Labour Party conferences in June and September of 2007, the then Prime Minister announced his goal to create, “British Jobs for British Workers”. As the then Conservative opposition leader David Cameron pointed out, this campaign adopted a xenophobic slogan which up to then had been used primarily by the extreme right. Alongside the call for national preference, the government also announced plans to increase the obstacles to immigration for workers from outside the European Union. In a similar move to Gordon Brown, leading trade union members (for example, Unite chairman Derek Simpson) also campaigned for a primary use of local labour, especially in the case of investment projects using public funding.

During the economic crisis, the slogan “British Jobs for British Workers” became even more inflammatory because most job-seekers, employees and companies were expecting a decline of growth and major job losses. Calls for national protection of the labour markets also brought back memories of the protec-

tionism displayed during the Great Depression of the 1930s and the associated increased contrasts between the industrial states. Those affected by the economic crisis included the entire British construction industry and a section of the major plant engineering and construction sector. In 2008, for instance, a construction company working on the refinery site announced lay-offs scheduled for the beginning of 2009. And this although the approximately 20,000 assembly workers employed on the construction sites of the British oil and power plant industry are generally very mobile, strongly networked with each other and, for the most part, highly qualified. They work according to a common pay agreement known as the *Blue Book*, but in the times of economic crisis, plant constructors feared that their reduced market power would be exploited by transnationally operative construction companies.

Such fears, which were also expressed in Lindsey, were fuelled by the pro-employer decisions of the European Court in the Viking, Laval and Ruffert cases (see Blanke 2008; Bucker / Warneck 2010). Stated simply, in these decisions,

the ECJ took away the right of unions to take action against the undermining of the pay agreements valid until then as long as employer practice remained within the bounds of the Posted Workers Directive and free movement of services. The issue of a possibility of circumventing pay agreements by citing European law was also posed in the case of Lindsey, although neither the employer nor the government dared to call striking workers or their union to account for the “illegal” action within the extreme circumstances of the economic crisis.

Further reading

Catherine Barnard (2009): ‘British Jobs for British Workers’. The Lindsey Oil Refinery Dispute and the Future of Local Labour Clauses in an Integrated EU Market, in: *Industrial Law Journal* 3/2009, pp. 245-277.

Seumas Milne (2009): Why British Workers Are Angry. Media-Hype distorts so-called racist strikes, in: *Le Monde Diplomatique*, September 2009. [<http://mondediplo.com/2009/09/07ukworkers>]

Pit Wuhler (2009): Streiks gegen EU-Standards [Strikes against EU standards], in: *der Freitag*, 12 February, 2009. [<http://www.freitag.de/wochenthema/0907-grossbritannien-streiks-europa-lohndumping>]



★ Workshop ideas

For a better understanding of the strike in the British energy industry, a talk show can be staged in which some protagonists of the conflict express their opinions and arguments.

After all the participants have gained a good understanding of the strike-related events by reading the background information, up to six groups should be formed. Using the role cards in the *Handouts* section, each group should jointly assume the standpoint of one of the players and first discuss the pros and cons of their argument. Afterwards, one member of the group is appointed to represent the standpoint in the talk show. The other group members form the attentive studio audience and observe the course of the discussion moderated by the team leader.

Once the show is over, the host, participants and audience discuss the talk show together. Did the guests concur that the social conflict is “nationalisable”? Which parties were convincing and why? Which arguments came out on top and why? Time and space should be given for an overall reflection of the artificial talk show situation: What makes a talk show different from discussion within the environment of a real strike? The participants can discuss which argumentation strategies are most suitable for preventing a “nationalisation” of social disputes.



★ Handouts

Role cards

Trade union official

- There is a real problem with discrimination against British workers: by citing the EU Posted Workers Directive and free movement of services, companies are making it more and more difficult for workers from the UK to apply for jobs in the UK. Just as a worker from the continent should not be denied the right to apply for a job in the UK, neither should this right be denied a worker from the UK. The government is required to ensure equal opportunities here.
- Against social dumping: EU stipulations must not be instrumentalised so as to avoid existing pay agreements and social standards. Companies must be required, especially for the public tendering of contracts, to incorporate into employment contracts the agreements negotiated by the trade unions. If posted workers from abroad are isolated from their UK colleagues, compliance with ruling pay agreements is very much threatened.
- Not a question of “race”, but rather of “class”: Posted workers from foreign countries and workers living in the UK must not be pitted against each other. The fact that the media still often points out the danger of nationalism is directly related to the prejudiced image of a “latently racist working class” that has become established in the minds of the public. One example of this was the statement by a striker (“We cannot work side by side with them. We are being kept apart from them”) which was edited for television so that only the first sentence was broadcast.
- New Labour is not on the side of the employees: The policies of New Labour have been directed against the interests of the workforce and have thus opened the door to the nationalist ideology of the extreme right. The economic situation, but also the wildcat strikes, give cause for concern. If companies do not intervene, this could create a dangerous precedent for the entire UK.

First striker

- Strike is justified: The anti-worker policies of the bosses must meet resistance. In the case of Lindsey, the company attempted to exploit the Posted Workers Directive in order to get around our pay agreement. Since such violations occur regularly and the union doesn't take enough action against them, we have decided to take the situation into our own hands and lay down tools. As such, our wildcat strike is also a reaction to violations by employers.
- A quote from Arthur Scargill, the legendary president of the National Union of Mineworkers (from an interview with Indymedia Ireland), “You can't have a situation where you can just move migrant labour, migrant capital, into a society without it having devastating effects on the whole society because it will undermine the whole system that exists.” (ICL-FI 2009)
- The British workforce is well qualified as well: “Apparently, Italian workers are highly qualified – but what about British workers? Are we not also highly qualified? Gordon Brown promised ‘British jobs for British Workers’ and he should keep this promise.”
- Effects of the recession, “We are in a recession and British workers are being laid off across the country. These people should be held onto and given further education. They should get the jobs that are now being given to foreign workers.”

Second striker

- The pay agreement is in everyone's interest: The *Blue Book* NAECI, the pay agreement for the steel construction industry, protects the working and living conditions of all building workers employed in the UK. The Italian company on the other hand actually stipulates longer work times and lower wages than provided for in the *Blue Book*.
- Repression of nationalist language: Individual workers downloaded nationalist flyers from the Internet in the initial days of the strike, but the strike committee which was soon established took a strong offensive against using these slogans and sought contact with the Italian workers on the houseboat.
- Activists from the fascist *British National Party* expelled by strikers: The nationalist character of the industrial dispute is belied not only by the fact that the BNP activists were sent packing, but also by the fact that hundreds of Polish workers joined the strike in Language, near Plymouth.

General manager of a company affected by the industrial conflict

- Unlike the strikers, our company is acting within the law: We respect the EU Posted Workers Directive, which for the UK only provides that we must pay the minimum wage and comply with basic employment law standards.
- International competition: The competition is hard and if we don't keep a close eye on our costs, then all the workers are going to lose their jobs. The painstaking efforts to re-establish our competitiveness on world markets must not be undermined. We cannot afford situations like those we faced in the 1970s, when long-term strikes crippled the British economy.
- Gordon Brown on protectionism, "What we know with certainty about protectionism is that it protects no-one, least of all the poor." (Brown quoted as per Burns 2009), in which he delivers a good argument against his own slogan "British Jobs for British Workers". The internationalisation of the labour markets is neither new nor detrimental – on the contrary it ensures that companies remain competitive, grow and are thus able to create new jobs.
- Job mobility as an enhancement: The "wildcat racism" of some British workers (as it was called in an Op-Ed of the Financial Times) is unacceptable. There are no jobs in the UK, either under British or EU law, which are reserved for Brits and cannot be taken by foreigners.

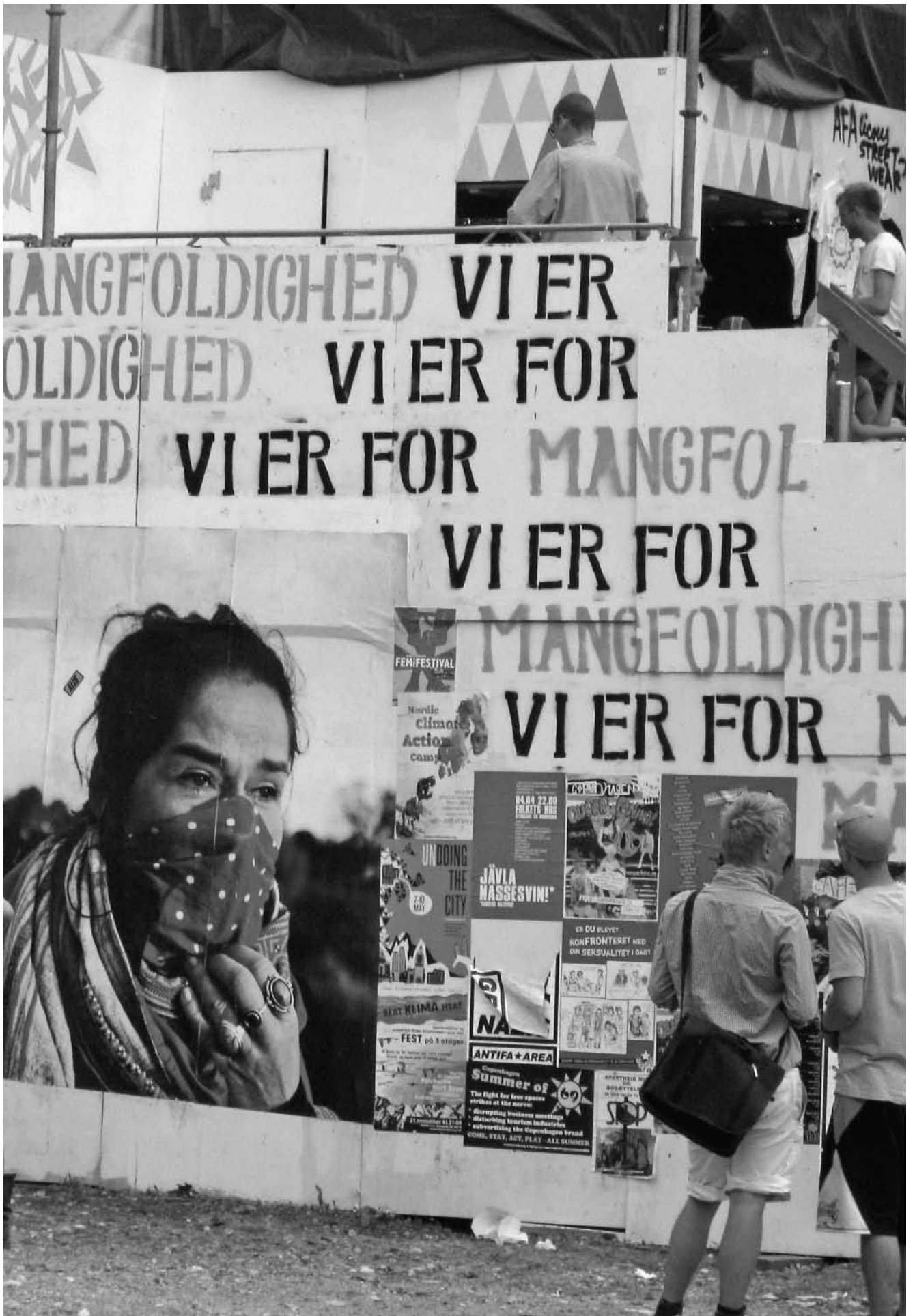
Representative of an anti-fascist initiative

- Nationalism in the name of workers' interests: The slogan "British Jobs for British Workers" was not only used by Labour Prime Minister Gordon Brown, but also by union leaders such as Unite president Derek Simpson. Those who used this slogan should not now pretend they didn't know what they were talking about.
- British workers abroad: Not only do many foreigners work in the UK, the number of Brits working abroad is virtually the same. Protests against wage dumping, lay-offs and deteriorating working conditions are justified, but must not be fought at the expense of workers suffering even worse conditions. National arguments for safeguarding production sites does not solve any problems, especially those generated by a momentous economic crisis.
- Lay-offs as systematic logic: Foreign workers aren't the ones who are destroying jobs in the UK. Where were the trade union protests when British companies tried to secure advantages at the costs of foreign competitors? The unions lack international networking which is more important than ever under the conditions of globalisation.

- In addition, there have been a number of union placards with the slogan “British Jobs for British Workers”. This slogan contravenes the EU Anti-Discrimination Directive and should therefore really not be used at all by a Prime Minister – this could encourage companies to use discriminating recruitment policies.

Journalist of a right-leaning tabloid

- The will of voters and readers: Many voters want the government to create more jobs in the UK for British workers – wage dumping through employment of cheaper eastern European workers on the other hand is inducing fear and uncertainty in many people.
- Foreigners are taking jobs away from British citizens: In the twelve months after Brown’s party congress demand for “British Jobs for British Workers” in September 2007, the number of foreign workers in the UK increased by 175,000, while the number of British unemployed increased by 45,000. The government was accused of having opened up the British labour market too much for foreigners and thus acting against its own soap-box speeches.
- Euroscepticism: The unions are finally starting to realise that European integration is not a solution, but rather a significant cause of their problems. The EU is so unpopular with many of our readers because it undermines national sovereignty and Britain’s special features without giving people anything in return.



European Works Councils:

Transnational co-management or internationalism from below?

“In conclusion, I’m not saying anything wrong when I claim that the will for European cooperation is firstly quite clearly overlaid by the fact that each persons’ own location, own country, in short, the shirt on our own back is most important to each of us.”

European Works Council of a German Ford plant in an interview with Stefanie Hürtgen (2008: 194)

★ Introduction

The European Works Council (EWC) is one of the elements of industrial relations that is often pointed out in both union and academic debates when discussing the idea and the reality of a *Social Europe*. Like the mergers between union associations at European level, it was the hope of many optimists that EWCs could offer starting points for an internationalism that would at least in the long run offer options to counter the internationalisation of management at least to a degree. Pessimists in this debate are not so sure about this. They point to the limited competences granted to EWCs under the relevant EU Directive from 1994, as well as the follow-up directives 97/74/EC and 2007/14/EC.

On the other hand, the pessimists are also sceptical about whether the European Works Councils do actually work in the interests of employees or whether they don’t on the contrary actually tend

to function as a form of transnational co-management.

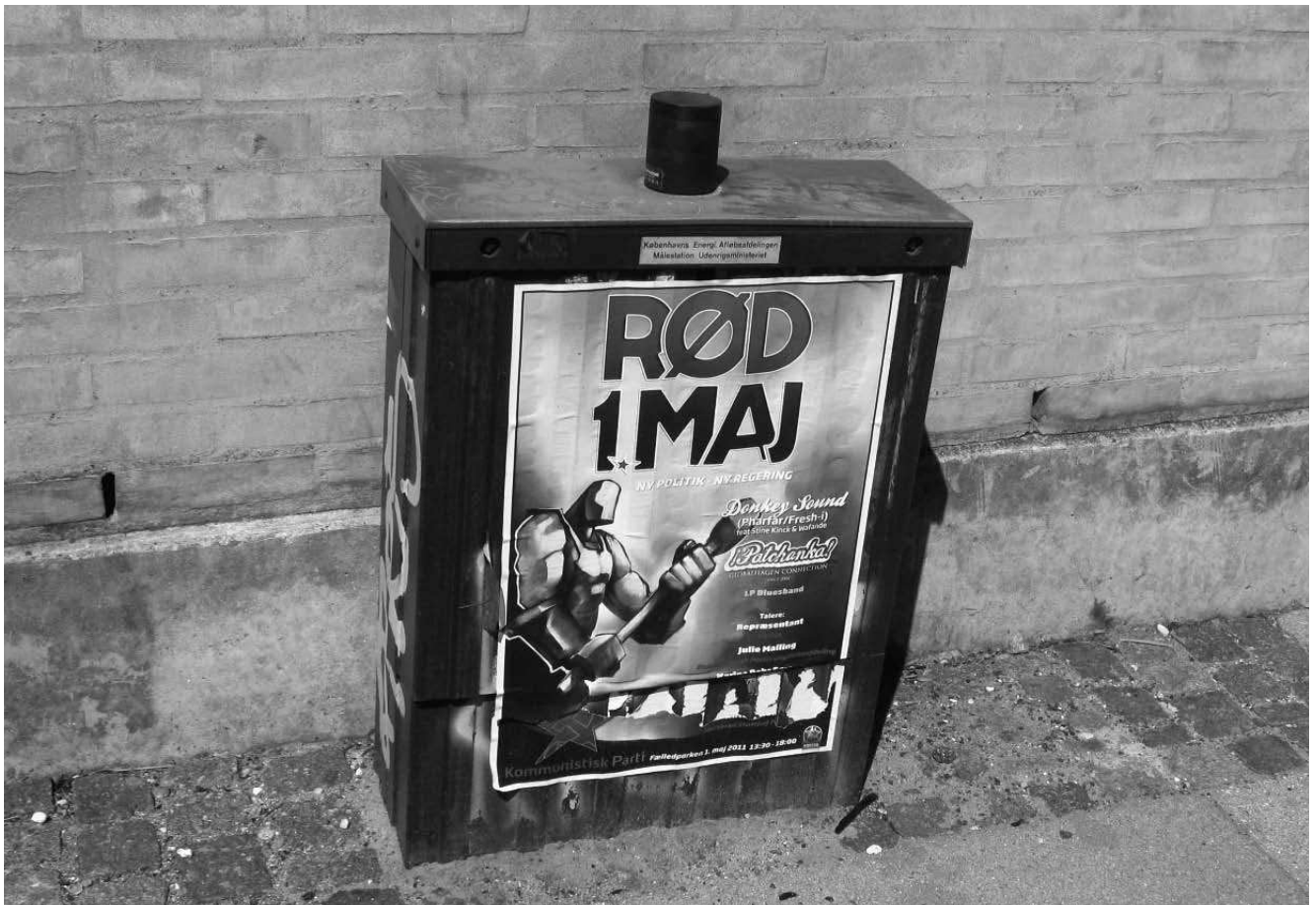
As these conflicting positions already suggest, intra-union discussions can argue the sense or nonsense of the European Works Councils Directive just as productively as its actual appearance in practice. A dispute played out in 2002 in the business section of the Swiss green-left weekly *WoZ* can serve as material for this discussion. In this debate, the leftist shop-floor activist Wolfgang Schaumberg, who had worked in the Opel plant of Bochum for decades, argued that the activities of EWCs are those of a transnational co-management from which employees can expect nothing good. Hans Baumann, the former “chief economist” of the Swiss union *UNIA*, insists on the other hand that the regular meetings held by works councils from various countries at least offer the potential for combating power and internationalism. In order to put this debate into a socio-political context, the texts by Schaumberg and Baumann preface the background information intended to offer a comprehensive overview of the development, function and results of the practice of European Works Councils. For participants familiar with this background information, it shouldn’t be difficult to evaluate the statements beyond a purely descriptive summary. A lively juxtaposition of optimistic and pessimistic evaluations might not only illustrate the intra-union debate, but also ideally contribute to taking it a step further.

★ Background

Initial attempts to introduce cross-border elements of codetermination in multinational corporations already took place in the 1970s. At that time, The Netherlands and the Scandinavian countries in particular tried to establish options for employee participation at European level. By the end of his four year period in office in 1980, EC Social Affairs Commissioner Henk Vredeling presented the Commission with a draft guideline, which was later named after the Dutch social democrat and former resistance fighter (for the history of its creation see: Nelson 1988). It provided for the inclusion and establishment of various obligations upon the management of multi-national corporations to provide workers with information and consultation. Although the European Parliament voted in favour of the *Vredeling Directive* in October 1982, imple-

mentation of the bill failed in a massive and initially extremely successful lobby campaign by the employer associations on the one hand and conservative European governments on the other. In particular, the veto of the Thatcher government and political pressure from the European industrial association UNICE prevented implementation of the *Vredeling Directive*.

The directive did not even provide for opportunities to sanction violations by companies or force implementation upon reluctant member states. Due to its concentration on employee rights of information, there was also no question that the unions were to be recognised as parties to a European system of collective bargaining. It was not only this weakness on actual participation opportunities, but also speculation about the economic benefits of more intense social integration that were reasons why – despite all neoliberal prophecies of doom – 40 European Works Councils were already estab-



lished on a voluntary basis between the mid-1980s and 1994 (Anonymous 1995: 99 et seq.).

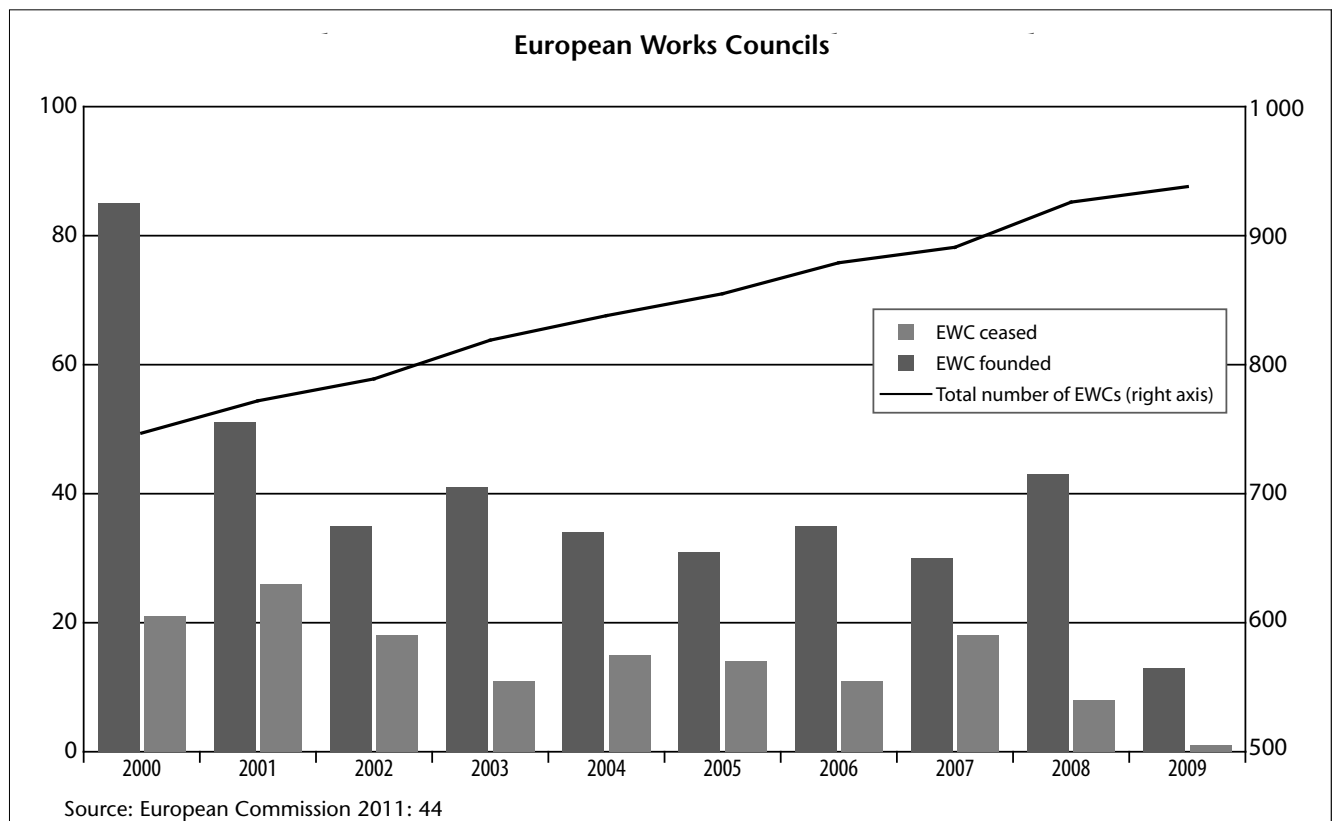
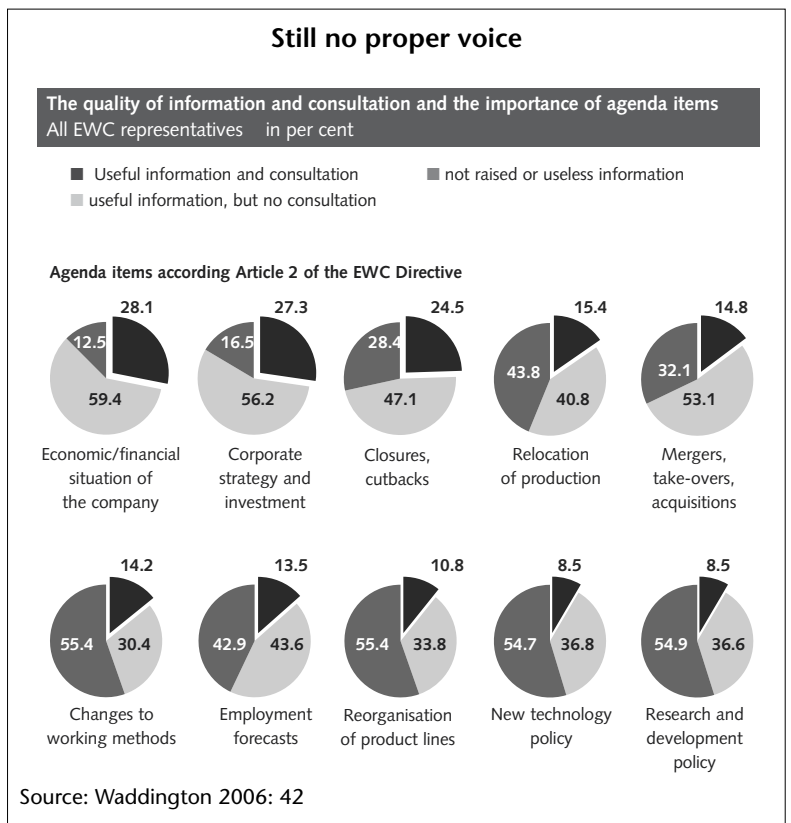
After the ongoing opposition of the British government and British companies made it appear at least initially that EU Directive 94/45/EC on the “establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees” re-initiated in the Maastricht process would suffer a similar fate to its failed predecessor, it was actually passed on 22 September 1994. This means that European Works Councils can be introduced in companies that employ 1000 employees in at least two EU states and at least 150 workers in each state. A European Works Council has at least three and at most 30 members. Once per year, the workforce representatives must be informed about central company decisions and strategies at a plenary meeting of company representatives. According to the provisions of the directive, they must be presented with a financial report by the European management which “relates in particular to the structure, economic and financial situation, the probable development of the business and of production and sales, the situation and probable trend of employment, investments, and substantial changes concerning organisation, introduction of new working methods or production processes, transfer of production, mergers, cut-backs or closures of undertakings, establishments or important parts thereof, and collective redundancies.” (Directive as per Ramsay 1997: 318)

The EWC that is controlled between plenary sessions by one small steering committee is, thus not a forum of real codetermination, but rather one of consultation. It cannot, for example, “prevent sites being closed and relocated, for example, if the Rüsselsheim plant would be moved abroad for reasons of cost-efficiency in the case of Adam Opel

GmbH.” Nonetheless, it does fulfil important functions for the works councils, at least in the eyes of the union-affiliated Hans-Böckler-foundation in Germany, “They can exchange information, discuss matters, develop common strategies and get to know foreign cultures better.” (Hans-Böckler-Stiftung 2006: 8) Companies that wanted to preempt the establishment of European Works Councils were given the opportunity by the European Commission in Article 13 of the Directive to create other less binding channels of information for employees for a transition period. This opportunity was used primarily by British companies, who could see an end to their government’s *opting-out*.

The European Trade Union Institute (ETUI) has calculated that there were 938 active EWC committees in the member states at the beginning of 2010, corresponding to a percentage of around 40 percent of the total number of multinational corporations in the Union which could theoretically have been involved (European Commission 2010: 45). According to statistics by codetermination expert Jeremy Waddington, a number of European Works Councils are however very disappointed with the actual performance of these committees. So only 15.4 percent of European Works Councils feel that they are as informed about production transfers as the EU Directive says they should be. In 43.8 percent of cases, this topic is either not discussed at all, or not sufficiently by the management. In addition, it appears that more than three quarters of the companies are not fulfilling their task of informing – never mind consulting – the European Works Councils in a timely manner before a final decision is made on important restructuring measures. According to them, 30 percent of the EWCs are not consulted at all when a decision with such wide-reaching consequences is made and 38.8 percent only hear about it for the first time in a newspaper (see Waddington 2006: 42 et seq.).

Despite their unsatisfactory opportunities, many European Works Councils strive to utilise their committees to influence company decisions. The negotiation strategies that most of them follow can be referred to as a strategy of competitive corporatism. As part of enterprise alliances, employee representatives support the corporation in increasing its global competitiveness and in return, they expect assurances of protection of their jobs and plants. An example is quoted from the documents of an EWC seminar for European Ford works councils, "The employee representatives of the Ford Motor Company in Europe have always followed a concept of constructive worker representation for a long-term safeguarding of the future of the company and its site or jobs. They were fundamentally always ready to help carry measures of business management so as to improve the competitiveness of the company through improvements in the area of manufacturing efficiency and product quality and to secure jobs." (European Ford-Works Council 2005: 35) In her study on European Works Councils,



Stefanie Hürtgen estimates that there is a “comprehensive orientation towards co-management” at the European level, which decides only on the basis of “the vehemence with which ‘better management’ for the employees is to be demanded, one that will lay claim to negotiating scope on behalf of sites and employees” (Hürtgen 2008: 171).

As some EWC members themselves admit, the cooperation with management leads to an increase in the political distance to their voters, “Due to top-management’s policies workers’ representatives are put into an increasingly difficult situation when being forced to justify the cooperation with management vis-à-vis their members. This is harmful for the willingness to cooperate.” (European Ford works council 2005: 35 et seq.) If even many of the those directly involved in works councils themselves express such strong doubts about the usefulness of their regular “work outings”, the reason for having an EWC is even less apparent to many employees (if they are even aware of its existence). In the case of Germany, industrial sociologist Britta Rehder explains this crisis in the legitimisation of structures of real or even only alleged “co-determination” by the fact that many works councils have confirmed (as co-managers in concession negotiations) that their contribution was a predominantly negative one from the viewpoint of the employees (Rehder 2006). Committees that have even less scope than a German works council office does (in addition to the EWC, this can also include the “Global Works Councils” which have been established voluntarily by some major enterprises) have even found themselves falling out of favour due to the open chumminess between “works council barons” and top management. In this respect, the example of the VW scandal in Germany verifies the development of structures that have turned elected workforce representatives into compliant and useful instruments for top management (Dombois 2009).

Further reading:

Rainer Dombois (2009): Die VW-Affäre – Lehrstück zu den Risiken deutschen Co-Managements [The VW affairs – examples by which to learn the risks of German co-management], in: *Industrielle Beziehungen* 3/2009, pp. 207-231. [Full version online: <http://www.iaw.uni-bremen.de/downloads/Dombois-VW-Langfassung.pdf>]

Stefanie Hürtgen (2008): *Transnationales Co-Management. Betriebliche Politik in der globalen Konkurrenz* [Transnational co-management. Corporate politics in global competition], Münster.

Harvie Ramsay (1997): Fool’s gold? European works councils and workplace democracy, in: *Industrial Relations Journal* 4/1997, pp. 314-322.

★ Workshop ideas

Following on from a team leader presentation based on background information and other literature, the working groups can use the following questions to first examine one of the two texts below:

- How does the author justify his evaluation of the theory and practice of European Works Councils?
- How does the author explain the deficits he identifies in existing European Works Councils?
- Which political strategy do the authors suggest for handling the instrument known as the European Works Councils?

In a follow-up discussion, participants can consider whether there are alternatives to the prevalent EWC practice under the given circumstances and, if so, what these could look like. What motives could the European Commission have for supporting European Works Councils both financially and through legislation?

★ Handout

Wolfgang Schaumberg: European and Global Works Councils of all MNCs, Unite? The problems of international collaboration using the example of the automotive industry

Wolfgang Schaumberg worked for 30 years in the Opel plant in Bochum, Germany up until the end of the 1990s, spending 25 years as a member of the works council. The full version of Schaumberg's article appeared on 17 October 2002 in the *Dossier économique* of the Swiss green-left weekly *WoZ*.

»» [...] The increasing spread of European and global employee participation should give us hope that it has become much more difficult for multinational corporations [MNCs] to pit one workforce against another and extort concessions in every investment decision, or is this not the case? [...]

When GM's management announced the planned cutting of about 6000 jobs in Europe (and the closing of the Luton plant) in December of 2000, the GM EWC chairman Klaus Franz (he is also overall works council chairman of all four German Opel plants) said, "We urge the European management to develop measures to improve the profitability of the company through product and sales offensives." Franz can obviously only imagine the protection of employee interests by means of increased profit. He argues in complete accord with the GM EWC agreement when he announces in an interview with the German *Frankfurter Allgemeine Zeitung*, "The works council must now practice co-management as opposed to counter-management." One has to recognise, he says, "the reality of competition" and that an "embittered conflict between employees and corporate management" would be the wrong path to take. He considers himself "firstly" works council chairman at Opel, and only secondly a "dedicated unionist". Those who think like this regard pan-European solidarity campaigns (which can also calm the workforce) more as a publicity-generating warning shot than the prelude to a tough dispute that actually causes a corporation like GM to make real concessions. First an Opel works council member worried about competitiveness, then a unionist; first competition, then solidarity. With self-perception like this there is no question at all of embattled international action against the side of capital.

Senior unionists at VW think along the same lines. In September of 2000, the German daily *Frankfurter Rundschau* quoted Hans-Jürgen Uhl, *IG Metall* secretary of the VW Global Works Council, "The corporation profits from global workforce representation". An institution of this sort "lowers the costs at VW, because there are fewer strikes". The VW Overall Works Council Chairman made the following demand already during the EWC planning stage, "The German sites must remain the centre of production and development in the VW Corporation." The main thing is that we save the profit situation at our site – this appears to be the leading slogan of such representatives in European or Global Works Councils. "In reality, we are fighting against each other to get the best for ourselves", as a British colleague once self-critically said of conditions in the context of a conference of European automotive workers in Bochum (1994).

"In practice, every works council fights for its own site. If we had a serious right to decide in which countries investment should be made, the solidar-

ity of workers would soon collapse”, this was the reply given by the chairman of the works council at the steel mill Dillinger Hütte in August of 2002 to the *IG Metall* publication *direct*, when asked about his experiences. The practice can hardly be described any more clearly. Instead of uniting to jointly defend themselves against blackmail by companies who of course want to pit workforces against each other, workers’ representatives compete to relinquish hard-earned standards.

I have met leading labour force representatives with attitudes like this in European GM plants from Warsaw to Zaragoza as well as in car plants in Detroit, Puebla (Mexico) or São Paulo. Managers everywhere have been able to ideologically ensnare leading workforce representatives as part of the global introduction of “lean” production (with teamwork, continuous improvement processes, etc.). Is the lack of international trade union cooperation essentially a problem of works councils that have accommodated to a form of co-management, driving nice big company cars, and often enjoying unimaginable improvements in income? Are the causes to be found in the change process that former workers or employees undergo on their way to the higher echelons of workforce representation? But even an explanation of this sort does not go far enough.

Management is using market competition to fuel the competition between the individual company locations. This leads to the absurd, but real, situation that EWC representatives who play this game eye each other warily in an attempt to wrest investment or production pledges for their “own” site from management and thus secure the future of their own workforce. This competition also forms the basis for the numerous job alliances including the concomitant employment pacts that are concluded at company level. In Germany, they have been an everyday occurrence for years, but still didn’t prevent the massive job rationalisations. [...]

For the policies of international works councils and unions, traditional integration into the corporatist block of “social partners” tends in practice to result in consolidated support for the slogan “Victory in the War of Competition” rather than a joint campaign against the power of the corporations. At local level, union representatives’ orientation towards competition is angrily criticised among the workforce (every time a bad compromise is concluded). However, a majority basically accepts the process and the results of negotiations. After all, the people elect their works councils. When representatives are expected to show solidarity with colleagues from other companies or countries and act against their “own” site or corporation – and possibly even risk something – the sentiment expressed is often one of “Charity begins at home”. As though nature intended that personal interests can only be protected in competition, employees compete. [...] We must discuss more offensively what is expected of European and Global Works Councils and union internationalism. At Opel in Bochum, we have for the last 20 years been trying in the context of a working group known as *GOG – Gegenwehr ohne Grenzen (Resistance without Borders)* – to promote international cooperation, for instance by way of exchange visits between grassroots unionists, international conferences, regular exchange of experiences and above all through involving the entire workforce. But from a political point of view, our discussion has been almost exclusively defensive. We seldom looked beyond formation of the necessary alliances within the GM corporations or beyond experi-

ences in the automotive industry. Our criticism of official works council and union policies was usually limited to identification and denunciation of the lean towards competitive corporatism. Understanding the restraints of competition without making a goal of them demands a union and social movement directed towards a new society. However, we can only develop an alternative if we can stimulate an international debate which encompasses the whole of society, does not shy away from open issues nor ignore our deficiencies.



Source: Wolfgang Schaumberg: Euro- und Weltbetriebsräte aller Multis, vereinigt uns? Die Probleme internationaler Zusammenarbeit am Beispiel der Autoindustrie [European and Global Works Councils of all MNCs, Unite? The problems of international collaboration using the example of the automotive industry], in: Woz Économique, 17 October 2002. [<http://www.woz.ch/archiv/old/02/42/2016.html>] Reprint with permission from the newspaper staff.

Hans Baumann: What a Chance! European Works Councils – a counterbalance

Until he retired in 2008, Hans Baumann was involved in the Swiss industrial and service sector union UNIA, most recently as Secretary General for Business Policy. The full version of Baumann's article was published on 17 October 2002 in the *Dossier économique* of the green-left Swiss weekly *WoZ*.



Most European Works Councils (EWC) have been up and running for about six years – a short period of time for a social innovation of this magnitude. But it is still necessary and possible to review the interim results. While the “social dimension” of the European Union (EU) only moves forward at a snail's pace in other areas, for example, in minimal social norms or collective work relationships, European social dialogue at corporate level has progressed at a scorching rate – at least in terms of numbers. The EU Directive on European Works Councils (1994) triggered a dynamic movement within transnational companies. [...]

According to the wording of the directive the right to have a say in the EWC is limited to information and consultation, that means that European Works Councils must be kept regularly informed and instructed and heard before major corporate decisions are taken. A few agreements go beyond these minimal rights and grant the EWC real negotiating power. Experiences with the EWC to date have been ambivalent. The fact that thousands of them meet regularly all over Europe at the expense of companies, and can share their experiences and discuss corporate strategy is a step forward which should not be underestimated. It is the prerequisite to enabling local works councils to form networks with unions around Europe and also to develop counterstrategies to competition between plants and the short-term management goals of profit maximisation. Recent experiences show that it is not just the wording of the concluded agreements, but above all the practical experience in the individual EWCs which is decisive in showing whether the council will be instrumentalised by the corporation management for its purposes or whether it can offer a platform for more effectively pushing through the interests of the employees. This also corresponds to my experience as a union expert for European Works Councils.

There are EWCs who take the text of the agreement at face value and restrict themselves to one outing per year in which they are informed by the management on the financial situation and receive as much information as

an average shareholder or a curious journalist. Between the meetings, they have very little contact with each other.

However, in many EWCs, the employee representatives maintain an intensive dialogue and exchange of experiences with each other. They meet at general meetings, in committees, and in specific working groups that exist in many EWCs, or in the event of extraordinary measures, such as restructurings or mergers. These contacts are very valuable, even if the EWCs are not successful in asserting actual influence on the management of the corporation. The mutual knowledge of corporate cultures and social systems acquired in this way is an essential prerequisite for collaboration.

This exchange of experience often functions as a "lie detector" in that it allows the EWC members to examine certain information from the management. This is often followed by an exchange on *best practice*, on better conditions elsewhere – information can be used in negotiations for national collective agreements. For example, Swiss works councils hear very quickly if their French colleagues have more rights in the case of dismissal. Spanish EWC members see that the same corporation in Switzerland is relatively generous in paying pension benefits beyond what is legally required and that in Germany, there is a collective agreement on pension fund regulation while no such thing exists in Spain. [...]

On the other hand, EWCs in various corporations around Europe or even around the world have managed to conclude agreements with management even though such measures are not provided for in the EWC agreement. [...]

The involvement of the EWC in negotiating corporation-wide behavioural rules on fundamental union and social rights also offers a good opportunity to extend the discussion beyond Europe. Thus other global problems, such as child labour, are also dealt with at EWC meetings. In my experience, the European Works Councils do not limit themselves and their work to the "Fortress of Europe". But in many cases, the corporations reject a debate on such topics. A counterstrategy by the MNCs now consists of pointing out their involvement in organisations such as the *World Business Council for Sustainable Development* (WBCSD) co-founded by Stefan Schmidheiny or announcing their participation in programmes for social and ecological sustainability. This is however done without involvement of the unions or the EWC and thus without controls within the company. (A strategy of this nature is pursued within the WBCSD by roughly the ten largest cement producers in the world, including *Holcim*, with the "Cement Sustainability Initiative, our agenda for action".)

An EWC can also play an important role as a control body, although the prerequisite is that contacts to other sectors of the corporation can be maintained beyond western Europe or that there is at least regular cooperation with the international union headquarters. A major challenge here is involving the employees in central and eastern European countries with regard to EU eastward enlargement. In globally active corporations, an expansion of EWC work and union contacts to eastern Europe and other continents is necessary but a strong foundation must first be established in Europe with a solid, internal information system and stable relationships. There is no point expanding the contact network to other continents if a European Works Council does not even function efficiently within western Europe, as is currently often still the case. Criticism of the work of many EWCs is even

justified; their options are limited and they are – logically enough – subject to management attempts at instrumentalisation. But this is a problem also faced equally or perhaps even more intensely by local works councils and company committees. [...]

In many cases, the national trade union organisation is too weak and not capable of sending well-educated shop stewards into the EWC. One reason for this inability is also that the individual unions in Europe have not yet adapted to the globalised structures of the large corporations and the international work is still a long way from wielding the influence that it should at union headquarters. [...]

The experience of the past six years clearly shows that the few EWCs that have received enough support from unions, and which can rely on union contact networks and infrastructure, have enjoyed some initial success. They were at least able to establish the foundations for a counterbalancing power in the corporations. So for this reason, an expansion of these opportunities depends not least on a new discussion process within the unions.



Source: Hans Baumann: Welch eine Chance! Euro-Betriebsräte – eine Gegenmacht
[What a chance! European Works Councils – a countervailing power],
in: WoZ Économique, 17 October 2002. [<http://www.woz.ch/archiv/old/02/42/2017.html>]
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[Online links all have been checked on 14 July 2011]

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