

## The euro crisis and the European trade union movement

By Vasco Pedrina

After successfully bailing out banks and adopting a first wave of economic recovery measures, the authorities of the European Union (EU) and its member states began to impose draconian, anti-social austerity plans from the beginning of spring 2010. These plans stem from an increasingly coordinated policy at the EU level, which is entering a new phase with the “Euro-Plus Pact” and the “enlarged bailout plan”. Dressed up as part of a fight against “macroeconomic imbalances”, new mechanisms are to be put in place. These will provide EU authorities with the means to step up the pressure for general social dismantling. Concretely, this amounts to a “wages straitjacket” that calls into question the autonomy of social partners (one of the pillars of the “European social model”), raises the retirement age across European countries and introduces legislation to curb national debt. This policy is not only having dramatic social repercussions. It is also heading up an economic blind alley that is putting the euro at risk.

At its Congress in Athens in May 2011, the European Trade Union Confederation (ETUC) reaffirmed its opposition to the currently prevailing neoliberal economic policies and once again demanded a change of course. The only conceivable way of pulling the euro-zone out of crisis is a combination of measures aimed both at boosting economic growth and at a gradual reduction of debt levels and macroeconomic imbalances. The ETUC is calling for a “New Social and Green Deal” consisting of a large investment plan, the issuing of eurobonds, low-interest liquidity provision by the European Central Bank (ECB) and a low-carbon industrial policy underpinned by fiscal reforms, which should include a tax on financial transactions. As far as Greece is concerned, it is now clear that it will not be able to break out of the present vicious circle without a really substantial recovery plan financed by the EU within the framework of a sort of Marshall Plan for countries in distress. The ETUC is also demanding a thorough overhaul of the “Euro Pact” – particularly the part on wage and retirement measures.

### Mobilising against social suffocation

To back this alternative economic programme, the ETUC has held four European action days in the past two years. Demonstrations and strikes spread across many European countries, but they did not build enough pressure to halt the neoliberal steamroller. Back

in the days of the “social democratic compromise” under the presidency of Jacques Delors, protests of that size would have been seen as a good reason for getting down to negotiations. Today, that is no longer so. Neither the EU authorities nor those of the member states were swayed by the protest action. True, the European trade union movement has, in the meantime, managed to get the most reactionary legal provisions expunged from the Euro Pact, but its antisocial thrust remains, as do the national austerity plans. At the same time, some pillars of the “European social model” are under relentless attack. Symptomatic of this is the EU political authorities’ refusal to correct the precedent created by the European Court of Justice (ECJ) in the Laval, Viking, Ruffert and Luxembourg cases of 2007/08. Through these rulings, the ECJ called into question the basic principles of social Europe, such as the precedence of basic social rights over the economic freedoms of the internal market, the principle of “equal pay for equal work in the same place”, the right to strike in order to combat wage dumping, and the autonomy of the social partners.

### European trade unionism at a crossroads

“Social Europe” is under pressure. Clearly, there will be no change of course unless pressure from strikes and political action coordinated at the European level builds up on a scale quite different to anything that has been achieved up to now. And yet, in the wake of the crisis, unions are falling back to defensive struggle positions within national frameworks. Evidently, the unions have put too little energy into European mobilising. Even 80,000 people on the march in Brussels no longer have such a great impact.

The time has come to re-examine our strategy if we do not want to look on helplessly as the European trade union movement slides into irremediable decline. The current debate on this issue within the political left and the trade union movement is seeing the emergence of two currents of thought. One of them advocates a strategy of “renationalising policy”. Those supporting this “fallback strategy” argue that, as the EU is on the road to neoliberal damnation, the only realistic response would be to set up resistance networks to defend the social

State within the national framework. The left-wing supporters of this position are, de facto, putting themselves in the same camp as the conservatives within the trade union movement who, like quite a lot of Nordic confederations, believe that the “lone road” is the best way of defending their “Nordic social model”, even though that model is more and more threatened by new developments within the EU.

The other school of thought advocates an “offensive strategy” of Europeanising social struggles. Their argument is that the only positive alternative is a quantitative and qualitative leap forward in joint political action and mobilising across Europe. But the days in which such a leap might still be made successfully are numbered. There is a serious risk that the Euro Pact, together with the whole series of austerity plans, will cause such an increase in the imbalances between and within countries that the social and political tensions will become unbearable, due to the rise of populist forces. The already growing tensions among trade union confederations in Europe and among confederations within individual countries (such as Italy) give some idea of where such developments could lead, namely to a catastrophic paralysis of the labour movement.

### **Levers for Europeanising social struggles**

The strikes and mobilisations over the past two years in various European countries have led to the emergence of new demands, new forms of action and new alliances from which useful lessons can be drawn for the Europeanisation of trade union resistance networks. At the same time, other routes may lead to the qualitative leap described above. At the ETUC congress, two proposals were discussed for campaigns with the potential to launch a real, coordinated counter-offensive.

One of these proposals concerns the response to the currently prevailing neoliberal economic policies. It is based on the alternative ETUC economic programme mentioned above, on reinforced coordination of bargaining policy and on an offensive for a European minimum wage policy and against the precarisation of jobs. Workplace strike capacities in support of European demands need to be strengthened in order to achieve these objectives. Granted, the ETUC congress did adopt a proposal from the Spanish confederations CCOO and UGT, calling for serious examination of the feasibility of coordinated strikes or a European general strike, but it did so without conviction. Clearly, the political will is still lacking, but this state of mind could change if the pressure of suffering continues to mount, which it probably will.

The second proposal, entitled “Equal Pay, Equal Rights”, aims to give new impetus to the struggle for workers’ rights, which are under attack almost everywhere, as well as the struggle against wage dumping. To support this campaign, the Swiss Federation of Trade Unions has proposed the launching of a European Citizens’ Initiative (ECI) entitled “For a Europe without wage dumping – Priority for basic social rights over economic freedoms”. Under the new Lisbon treaty, citizens can petition EU authorities on new policies and legislations with one million signatures. An ECI of this kind would be aimed at giving the EU a mandate for the legislative measures needed to ensure that precedence for basic social rights over economic freedoms becomes generally applicable throughout the European Union.

Launching such an ECI would enable broad awareness-raising (and mobilisation) in workplaces and among the union rank-and-file right across Europe – something that has not been possible so far. Other social movements and political forces that share our concerns about the future of social Europe could be associated with the ECI. The ETUC congress accepted this second proposal, which a working group is to put into concrete form by the end of this year. But it did not give a clear green light to the decisive lever for such a campaign, namely the ECI. The reservations come from countries such as France, the UK and Italy, whose union confederations say they have no tradition of collecting signatures for this kind of instrument. They are underestimating the potential of a citizens’ initiative as an instrument of decentralised awareness-raising and political pressure for a common objective throughout Europe.

The ETUC congress could have sent out a strong signal for a large-scale political and trade union European counter-offensive. The lack of energy to go down that road is probably due to the way that unions in quite a few countries have been hit and weakened. Nonetheless, it may well be that a response on a scale to match the current challenges will become possible once the pressure of suffering rises even further, and people will be forced to realise that a social and political turning-point cannot be reached without strengthened trade union policy coordination beyond national borders. This will require an alliance with all interested social movements and political forces. The future of social Europe and of the European integration process is at stake.

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