

Social Europe is a Con



Introduction by RMT general Secretary Bob Crow
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Social Europe is a Con

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Edited by John Boyd

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Introduction

I am pleased to introduce this useful pamphlet which takes a critical look at the 'Social Europe' agenda that has been used over many years to justify trade union support for a vicious right wing corporate project known as the European Union.

Some of us never fell for the strange mania that gripped the labour movement after EU president Jacques Delors addressed TUC delegates in Bournemouth in 1988 to tell us that the class war was over and workers were going to get a fair deal from 'Europe'.



I remember going back to work after Congress and telling my work colleagues that everything was going to be great as 'Europe' was going to tame the Tories and we were going to get full employment and better public services handed to us just like that. I won't repeat the responses as I was told to stop taking the piss.

After all, the Tories had just signed the EU's Single European Act that was to deliver the right wing Thatcherite economic model across the continent and give us the single currency, one of the more madcap schemes in the long history of Europe.

I take no pleasure in saying that those sceptical of the euro-fanatic corporate dream have been proved right. All the restrictions on trade union freedoms introduced by the EU outlined in this pamphlet are now to be enshrined in EU law through the Monti 11 Regulations.

The Social Europe agenda was always a smoke screen to fool the organised working class that we had something in common with big business. We didn't then and we don't today when unelected EU institutions, directly representing Europe's biggest banks, are removing elected governments and imposing mass unemployment, social dumping and unending austerity everywhere.

The Tories and Lib Dems support this agenda. Meanwhile inside the Eurozone youth unemployment in Spain has soared to over 50 per cent and the suicide rate in Greece has hit the roof. It is time the trade union movement got back to representing the interests of working people and building resistance to capitalist greed instead of acting like its junior partner.

Bob Crow

RMT general secretary

Social Europe is a Con

1. The contradictions of social partnership

By Brian Denny

'HOW do you make a Celtic Tiger disappear? Ask it for a pay rise!' That was how a trade unionist from Cork described the nature of Ireland's economic boom in the 1990s.

Unprecedented levels of economic growth have been widely used to champion Dublin's policies of low corporate taxes and so-called "social partnership" agreements between employers, trade unions and government. However the reality beneath such cosy ideals is very different.

The doctrine of social partnership is heavily promoted by the European Union and preaches that employers and workers share a common cause. This strategy claims that unions have no alternative but to collaborate with the employer in order to 'add value' to the firm ie profits.

Social partnership deals are characterised by a ban on strikes and work stoppages over pay, no pay settlements above a set ceiling, long "cooling off" periods following any rejection of pay offers and decisions by a labour court to be mandatory and not subject to employee ballots.

Such draconian conditions clearly undermine long-held rights to collective bargaining and independent trade unionism. By weakening trade unionism and subordinating its activities to the logic of the capitalist firm, employers are able to boost profits at the expense of workers' jobs and conditions with the acquiescence of the trade unions.

In the Irish Republic the labour movement has been involved in some form of 'social partnership' since the late 1980s. The main thrust of these agreements is based upon artificially repressing wages, in order to increase profitability and economic competitiveness, which, the theory goes, increases private investment and job creation.

As a result Irish unions have accepted very low wage increases amid dramatic increases in house prices fuelled by speculators, business people and professionals flush with profits and undeclared incomes.

But Irish workers' share of this bonanza in the form of wages dropped from 70 per cent in 1987 to under 60 per cent in 1999 while the proportion of low paid workers increased from 18 per cent to 21 per cent.

While wages have been capped, Ireland's national wealth has more than doubled, increasing by £20 billion.

Despite the increased export of capital and the failure to invest in research and development, successive Irish governments have continued with tax-friendly policies towards the corporate and capital sectors. Although this has resulted in a high degree of investment, it also leads to economic insecurity, as the essential decisions affecting employment and investment are increasingly made without regard to the needs of Irish workers or the Irish economy.

Moreover, this huge growth has not resulted in the elimination of poverty or real improvements in health, education, and housing. Nearly one-third of the population is affected by poverty, while the gap between rich and poor continues to widen.

The crisis in the Irish health services continued unabated, with ward closures, nursing shortages, and growing hospital queues. Ireland is becoming the low-pay capital of Western Europe with 25 per cent of new jobs paying less than £10,000 per annum and 50 per cent of new jobs so lowly paid that workers didn't even pay tax at the standard rate.

Social partnership agreements often entail a pledge to the workforce of some degree of job or employment security. But there is a contradiction between the employment stability implied by this pledge and the chronic instability of the markets in which many partnership companies operate. The rhetoric of partnership agreements also implies that unions will have a significant degree of influence over corporate business strategy. Yet the reality is that key business decisions in many firms are made by small, rival cliques of bosses locked in takeover battles, whilst unions and workers are left standing on the sidelines. Finally, the European model of partnership espoused by the TUC and the European TUC implies some broad degree of social and economic equality between labour and capital. Yet the reality of the much-vaunted Irish experience of 'partnership' has been a pronounced rise in inequality.

International Transport Federation road transport section vice president Asbjorn Wahl of Norway has pointed out that the social partnership model introduced at the EU level through the Maastricht Treaty and further developed in the Amsterdam pact has failed.

"The fundamental problem with the EU today is that without the right to

take action there is not much you can achieve. Employers are understandably not very accommodating at the negotiating table," he said.

Class conscious trade unions have also pointed out the dangers of social partnership and called on the TUC to re-examine its slavish support for such a policy. Continuing job losses have only served to highlight the flawed and unequal nature of social partnership.

It is important to differentiate between 'partnership' deals struck with some companies, in which the union retains independent collective bargaining rights, and the no strike deals characterised by social partnership. Even the most militant unions are prepared to engage and negotiate with employers on an equal basis. Yet one of the fundamental contradictions of social partnership is highlighted by the power relations within the 'partnership'.

For instance transport union RMT calls for the re-nationalisation of the rail and bus sectors. As a result the union does not have common interests with the privateers that make money at the expense of decent wage levels, conditions of service and adequate investment.

This also highlights the fact that social partnership is not just about restricting wages but stifling democratic involvement in the life of trade unions, making people passive in the social and political life of the country.

As such social partnership is not a new creation. Following the defeat of the miners' strike of 1926 the industrialist Alfred Mond promoted a system of industrial relations in Britain whereby trade unions would attempt to maintain working-class living standards and assist industrial efficiency by cooperating with employers. These measures were strongly supported by right-wing trade union leaders including the breakaway Spencer miners' union. Yet this only led to wage cuts not only for miners but in other sectors such as the rail industry and little else.

Versions of Mondism were also championed by emerging fascist movements in the 1930s. Italian fascist dictator and former socialist Benito Mussolini introduced corporatist policies and promoted a form of social partnership during his rule. In June 1932 he declared: *"Fascism is opposed to trade unionism as a class weapon. But when brought within the orbit of the state, fascism recognises the real needs which gave rise to socialism and trade unionism, giving the due weight in the corporative system in which divergent interests are co-ordinated and harmonised in the unity of the state."*

This particular corporate experiment finally ended when Mussolini attempted to flee Italy in 1945 before being captured and summarily executed near Lake Como by Italian partisans.

Today, on an EU level, the espousal of social partnership is accompanied by the acceptance of EU policies of low government spending, social dumping and the privatisation of public utilities as part of the neo-liberal corporate blueprint for the EU, which has persistently led to low economic growth and mass unemployment.

As labour markets tighten and the clouds of recession gather, union activists should be able to argue more persuasively than ever that social partnership is a dangerous dead end for the trade union movement and that there is an effective alternative. The trade union movement must break with this strategy and develop a more democratic, independent, participative and campaigning outlook.

This article first appeared in RMT News May, 2003

2. What European social model?

By Brian Denny

During a private summit dinner of European Union leaders in March 2005 the subject turned to the much-vaunted 'European social model'. Tony Blair asked rhetorically: "*What's that?*"

With this simple candid question Blair exposed decades of europhile mendacity. Defence of the so-called 'European social model' has been used to sell all previous EU treaties and now the EU constitution to the labour movement.

At the summit, Blair was arguing with French president Jacques Chirac who was demanding the postponement of the highly controversial, neo-liberal EU Services Directive which lifted all controls of the 'free movement' of goods and services within the EU.

The French leader was increasingly alarmed at the rapid growth in opposition to the EU constitution before referendum on the subject in May due to growing anger against the Services Directive.

Opposition had grown in tandem with the offending directive that aims to "deregulate" (ie privatise) all service activity in Europe. And over 100,000 trade unionists were marching outside the EU headquarters in opposition to the so-called Bolkstein directive.

Chirac's answer was to present himself as the defender of social protection and welfare standards and demand the directive be "redrafted". He got his way as other EU leaders colluded in a desperate attempt to influence the outcome of the French referendum on May 29 2005.

However, a clearly perplexed Blair was fully aware that the contents of the directive are also written into the proposed EU constitution.

He even recently told the House of Commons, *"The European constitution gives a push for the services directive"*.

While leading labour movement europhiles demand support for the EU constitution to defend the nefarious 'European social model', in the real world Britain's last mass car manufacturer Rover has collapsed.

Blair did nothing to stop the collapse as he knows it is illegal under EU competition rules to give financial assistance state companies without permission from Brussels.

He could not go to war with Brussels just before an election, however popular it would prove, as it would scupper his drive to win a UK referendum on the EU constitution expected in 2006.

France and Germany of course totally ignore such niceties as EU competition rules and bail out home industries at will.

The proposed EU constitution strengthens these restrictive rules to prevent industries getting assistance even further. Article III-168 states that *"if the Commission finds that aid granted by a member state or through state resources is not compatible with the internal market"* the state concerned must abolish such aid *"in a period of time to be determined by the Commission"*.



Mass demonstration by trade unions
against the Services Directive

The simple fact is that the EU constitution enshrines a particular economic system based on an extreme neo-liberal ideology. The principles of “free competition” become constitutional objectives, to be enforced by the EU Court of Justice.

As soon as Peter Mandelson was installed as EU Trade Commissioner he repeated these demands in the Constitution for market liberalisation across the EU.

“My belief is that the first priority should be to reinvigorate the drive for open markets,” he said.

This is the overriding aim of the ‘European project’, making Europe safe for big business interests, and all talk of ‘European social models’, social partnership and a third way are so much hot air to defuse any trade union opposition that may arise.

However the Services Directive and the contents of an EU constitution have cruelly exposed these illusions forever.

This article first appeared in The Democrat journal of the Campaign against Euro-federalism, March, 2005.

3. EU court cases and ‘flexicurity’ equals insecurity

By Brian Denny

“Absurd” and “ludicrous” is how leading trade union law firm Thompsons described recent anti-trade union European Court of Justice judgments in two test cases in 2007 which claimed that certain strike action offended EU rules.

According to Richard Arthur, head of trade union law at Thompsons, the cases – known as Viking and Vaxholm respectively – are far more restrictive than even the anti-union laws brought in by successive Tory governments in the 1980s.

The first case involved Finnish ferry company Viking Line, which attempted to reflag one of its ships to Estonia and replace Finnish seafarers with cheaper Estonian labour.

Protesting against this clear social dumping, Finnish workers attempted to launch strike action. Viking then began legal proceedings and the European Court of Justice has sat on the case for over three years.

The Vaxholm case similarly began after Swedish trade unionists attempted to prevent Latvian firm Laval paying poverty wages to Latvian builders working in the Swedish town of Vaxholm.

The ECJ has now declared in both cases that EU rules on the free movement of goods, services, capital and labour gives private firms protection against collective action by trade unions. In other words an employers' right to "freedom of establishment" trumps the right to strike.

Richard Arthur of Thompsons said that the ECJ rulings ran roughshod over trade union rights which have been almost universally recognised in numerous international treaties for many decades.

"Tory anti-union legislation only restricted the right to strike by introducing stringent procedures in order to carry out industrial action."

"However, the European Court of Justice has now given itself the opportunity to scrutinize the legitimacy and the proportionality of any given dispute and the effect on the employer," he said.

Furthermore, in the Vaxholm case, the right to strike is superseded where an employer complains that the union is seeking terms and conditions in excess of the minimum provided by the Posted Workers Directive.

This highlights the fact that the Posted Workers Directive is designed to remove obstacles to the freedom of firms to provide services abroad - not to provide social protection for workers. In fact, it is a mechanism for exporting low pay and social dumping to other member states.

You may say, well at least the right to strike is enshrined in the EU Charter of Fundamental Rights, right? Wrong.

Article 28 of the Charter, appended to the renamed EU constitution, the Lisbon Treaty, says workers may *"take collective action to defend their interests, including strike action"*.

But an Explanation in Declaration 12 also qualifies this by stating: *"The limits for the exercise of collective action, including strike action, come under national laws and practices"*.

Moreover, the entire Charter can be suspended at any time to protect the 'general interests' of the EU or, of course, if it interferes with *'the smooth operation of the market'*.

This means that draconian labour legislation already existing in a member state can be preserved while, on the other hand, Brussels can

limit trade union rights in order to satisfy ‘objectives of general interest’ of the EU.

The renamed EU Constitution provides that the Charter of Fundamental Rights would be made binding in EU law and become superior to national law in the event of any conflict.

On 13 December 2007, EU leaders rubberstamped the Lisbon Treaty to great fanfare in Portugal while over a quarter of a million Portuguese workers protested outside to almost no media interest.

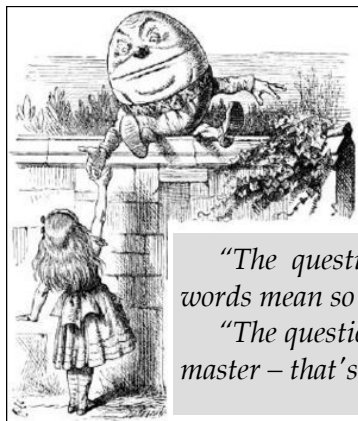
One of the reasons for the protest was the fact that officially and for the first time, the term ‘flexicurity’ and its basic principles were also adopted by EU leaders in Lisbon.

So what is ‘flexicurity’ and why has it upset so many trade unionists?

Well the first thing to say is that there is no such word. It has been made up by the European Commission to suggest that if a worker accepts flexibility, job security at work will follow.

That is a complete contradiction, of course. As Unite general secretary Derek Simpson told *The Times* (22/1/2007), flexicurity *“hides behind the language of equality to propose measures to force exploitation and insecurity on to every worker in Europe”*.

In essence it is a policy designed to remove collective bargaining rights from workers in order to facilitate further EU integration and deepen the so-called internal market.



A passage from Lewis Carroll's book, *"Through the Looking-Glass And What Alice Found There,"* comes to mind:

"When I use a word it means just what I choose it to mean, neither more nor less," says Humpty Dumpty.

"The question is," replies Alice, *"whether you can make words mean so many different things".*

"The question is," replies Humpty Dumpty, *"which is to be master – that's all".*

Clearly the EU – and their judges – operates with this mentality, considering themselves the ‘master’ of words and a law unto themselves.

However this has not gone unnoticed by labour movements across Europe. The Cypriot Federation of Labour the PEO, the oldest and biggest trade union in Cyprus, has said that 'flexicurity' represents "*a very dangerous attempt to completely smash existing labour laws and gains*" increasing the trend towards "*casual uninsured jobs*".

"The changes being sought are aimed in reality at easing labour protection rules, the abolition of full and steady employment as well as the marginalisation of collective agreements," it said.

Ultimately, flexicurity, EU court judgments and EU rules on 'free movement' of goods, services, capital and labour – all enshrined in the renamed EU constitution – represent the most fundamental attack on trade union rights and democracy in general since the end of World War Two.

In order to achieve this, the principles of effective and democratic trade unionism are being actively undermined by EU institutions and those who promote its policies and agenda.

This article first appeared in the Morning Star newspaper on Wednesday January 9 2008

4. Social Europe is a Con

By Alex Gordon and Brian Denny

The current economic crisis has starkly exposed the reality that EU structures do not protect workers or public services.

The escalating Eurozone crisis reveal the most powerful member states protecting their debt-laden banks by demanding vicious austerity measures in the eurozone states starting with Ireland, Greece and Portugal and spreading rapidly across the entire EU.

Along with cheap credit-fuelled growth and EU-funded infrastructure required to build a single market, the illusory concept of 'Social Europe' launched 25 years ago is disappearing before our very eyes, while attacks on workers' rights and industrial relations cultures gather pace across Europe driven by the EU institutions; the Commission, the ECB, the EFSF and - the latest incarnation - the European Stability Mechanism.

Advocates of 'Social Europe'⁽¹⁾ like to claim its roots lie in the 1957 Treaty of Rome commitments to equal pay between men and women.

However, such commitments had negligible impact for 15 years until national legislation was introduced from the early 1970s under the impact of social and political struggles for women's equality.

Jacques Delors evangelised for 'Social Europe' when he became president of the European Commission in 1985. He made a famous speech at the 1988 TUC, claiming that the completion of the Single European Market would deliver a social model compatible to trade union aspirations in Britain. Trade union leaders largely accepted this untested and unfounded mantra, not least because this period was marked by the historical defeat of organised labour across Europe.

Yet under the 'Social Europe' model proposed by Delors, the post-war Keynesian Welfare State model focussed on full employment and stimulating demand was gradually dismantled and replaced with an alternative that prioritised price stability over jobs and focussed on wage moderation and labour market 'reform' as the main route to maintain competitiveness.

In some cases, such as in Italy and in Germany, this change in direction was pursued using the corporatist arrangements of the Keynesian era ('social partnership'). In other cases, most notably Britain, change came via direct confrontation between organised labour and the state. Yet, common to all was the use made of 'Europe' as the route via which the social bonds and obligations of the Keynesian 'Golden Age' were given up.⁽²⁾

Privatisation policies and the liberalisation of financial markets across Europe all came about as a result of decisions by national governments. Yet these policies were subsequently implemented under the aegis of the European Single Market and with the help of the European Commission in order to limit the possibilities for opponents to mobilise at national level.

Looking at the pillars of so-called 'Social Europe' - Germany and the Netherlands - statistics show exactly how these countries in reality used 'anti-social growth models'. The German government used 'social partnership' to secure wage moderation from unions in its export industries, which was critical to the country's economic success since the end of the downturn of the early 2000's. Similar policies were pursued in the Netherlands, the country with the lowest unemployment in Europe, but also with the highest proportion of workers on fixed (ie not permanent) term contracts.

This anti-social growth model has propped up the Eurozone's average annual GDP figures but created conflicts between Member States able to achieve such internal competitive devaluations and others, in the Eurozone's periphery (eg Ireland), where credit-fuelled growth led to wage inflation.

These asymmetries are reflected in figures for household disposable income as a percentage of annual growth provided by the OECD. The average figures for the 2000-2008 period are Germany (0.6%), Netherlands (1%), Spain (3.1%), Ireland (2003-2008 - 3.8%).

The project of Economic and Monetary Union (EMU) was a conscious extension of anti-social Europe: by preventing countries from using currency devaluation to regain competitiveness all pressure for adaptation was transferred to labour market factors.

In the conditions of today's crises, with fiscal resources tied up in bank bailouts, the reality of this transfer has begun to bite. Labour market reform is the main tool available to policymakers today, with predictable consequences politically and socially. Protests from Athens to Madrid have become a regular feature in 2011, whilst policymaking at the European level, isolated from the protests and complaints of national populations, has intensified.

Any evidence of 'Social Europe' is being rapidly replaced by a distinctly 'anti-Social Europe' characterised less by social partnership than by social dumping as EU rules and ECJ judgements drive a race to the bottom in terms of jobs, wages and conditions.

As new European TUC general secretary, Bernadette Segol, admitted in June 2011: "cuts in salaries, cuts in public services and weakening collective bargaining rights are all on the agenda".

In order to explain the crisis of 'Social Europe', we need to explore and understand where it came from and what it was designed to do. The genesis of 'Social Europe' can be found within the 1987 Single European Act (SEA), which was backed by EU leaders including Tory Prime Minister, Margaret Thatcher.

This so-called Act established a Single European Market with four 'fundamental freedoms', the free movement of goods, services, labour, and capital. As a way to bypass national opposition to free movement provisions, the Act replaced the rule of unanimity with qualified majority voting in the Council of Ministers.

This highly neo-liberal policy was a recipe for unprecedented mass privatisation and its architects were the EU employers' federation, UNICE⁽³⁾ and larger corporations from across the EU plus Norway, Switzerland and Turkey grouped in the European Round Table of Industrialists, ERT.⁽⁴⁾

ERT members (by invitation only) are *"chief executives and chairmen of major multinational companies of European parentage"*, including Daimler-Chrysler, Fiat, Nestle, Renault and Siemens as well as UK firms like BP, Rio Tinto and Rolls Royce. Its remit is to promote further EU integration to benefit European-based transnational corporations.

In 1983 Wisse Dekker of Philips and former EEC Industry Commissioner Etienne Davignon drew together a group of leading European corporate executives into the ERT with the objective of *"relaunching Europe"*: *"If we wait for our governments to do anything, we will be waiting for a long time. You can't get all tied up with politics. Industry has to take the initiative. There is no other way,"* Dekker argued.⁽⁵⁾

Member states and much of the business sector had already rejected attempts by the European Commission to remove trade barriers within the EEC and create an internal EU market in 1984. However the newly appointed European Commission president Jacques Delors delivered a speech to the European Parliament closely matching Dekker's proposals which would become –with the help of Margaret Thatcher – the Single European Act.

To sweeten this neo-liberal pill, Delors proposed a largely symbolic Social Charter to ensure support for the entire project from trade union bureaucracies across Europe, particularly in Denmark and the UK. Large parts of the labour movement fell for this con trick following Delors' infamous address to the 1988 British TUC Conference promoting a 'euro-federalist' vision wrapped up in the language of 'Social Europe'.

Delors told TUC delegates that the EU was the alternative to mass unemployment, privatisation and endless Tory attacks on the working class in Britain. In exchange for signing up to the 'euro-federalist' project, Delors offered British trade unions a sympathetic ear in Brussels and a share in the economic benefits of EU membership.

ERT boss Keith Richardson went along with this charade at the time: *"If politicians feel it is important to get the chapter referring to the desirability of full employment and they think it will help public opinion, we don't really*

object - providing of course that it remains related to aspirations," and "Enough people in government have now understood that the chapter is relatively meaningless. Several prime ministers have commented that writing the chapter in the Treaty will not create jobs", he said.⁽⁶⁾

In fact, the Single European Act unleashed a corporate, free-fire zone for finance sector-led turbo-capitalism, while at the same time hypocritically lauding the supposed superiority of the 'European Social Model' over Anglo-American free-market libertarianism. This included promoting the increasingly complex contracts, instruments and credit vehicles based on speculation and gambling, which are currently unravelling across the European banking sector (UniCredit, Dexia, Deutsche Bank, PNB Paribas, etc).

The UK was already the most liberalised economy in Europe and the alleged benefits to workers of 'Social Europe' failed to materialise as over one million British manufacturing jobs have disappeared since 1997 alone. In Germany, the jobless total passed five million and French unemployment ballooned to over ten per cent.

Moreover, the Single European Act should be seen as a fundamental part of the process of slowly and irreversibly centralising power to Brussels on a huge scale. The Maastricht Treaty, which formally proposed introduction of the single currency, was followed in 1996 by the Stability and Growth Pact, which established strict convergence criteria for joining the euro.

This pact represented a Thatcherite, economic straitjacket that enforced cuts in public spending on member states. Since then, the Amsterdam and Nice treaties and the EU Constitution, now renamed as the Lisbon Treaty, all centralise economic, political and legal powers within the EU without any democratic mandate.

The ERT was clearly not satisfied with these steps and in January 2001 the European Commission formally launched plans for a Services Directive to force wholesale deregulation of entire industries. EU commissioner, Fritz Bolkestein, claimed it was time to end the sector by sector process of liberalisation: *"when so many of the necessary changes are common to a wide range of services... Some of the national restrictions are archaic, overly burdensome and break EU law. Those have simply got to go,"* he said.

Bolkestein declared: *"Article 49 of the Treaty of the European Union says that all restrictions on the freedom to provide cross-border services within the*

Union are prohibited”.

The final genesis of Bolkestein’s Services Directive had begun and companies would be given the opportunity to undermine the best national conditions and wages and drive them down to the lowest levels.



Action by trade unions in Vaxholm halted building work by Laval

For instance, a German company would be able to exercise its activities throughout the EU, including in Germany, with one branch operating from the Netherlands and another one from Belgium – depending on where the conditions generate most profit.

Accordingly, the German building union IG BAU warned of a wave of service provider relocations to countries which impose the lowest legal requirements and export them back home.

A number of rulings by the European Court of Justice highlight just how the internal market batters down minimum trade union standards won at a national level.⁽⁷⁾

One case concerns a Latvian construction company, Laval, which was refurbishing a school in Vaxholm, outside Stockholm, using Latvian workers on low rates of pay.

The Swedish Building Workers Union (SBWU) demanded that a local collective agreement that covered Swedish building firms should be in place.

However Laval refused and referred to a Latvian agreement instead which paid about a third of the Swedish wage and did not provide adequate insurance.

As this was a clear case of ‘social dumping’, unions began industrial action by blockading the site.

Laval argued that this action was not in compliance with EU law and brought the case and the ECJ agreed with him.

While in Stockholm, EU internal market commissioner Charlie McCreevy made clear that the Commission fully backed the Latvian company and the "social dumping" that it had created.

"If member states continue to shield themselves from foreign company take-

overs and competition, then I fear that the internal market will begin to dissolve. The question here is whether or not Sweden has implemented Article 49 in the treaty on free movement," he said.

However Swedish TUC (LO) vice-president Wanja Lundby-Wedin pointed out that industrial action is, by its very nature, an obstacle to the activities of a company and free movement.

"What, until now, have been regarded as fundamental rights of workers in all democratic states would be undermined in the name of free movement," she said.

The Viking case involved industrial action by the Finnish Seamen's Union against attempts by the employer to replace Finnish seafarers with cheaper Estonian labour.

The employer's claim based on EU law was that the industrial action had violated the employer's rights to freedom of establishment and to provide services, as provided in the EU Treaties, Articles 43 and 49.

Both these cases highlight how EU Treaty provisions on free movement is being used as a battering ram against the trade union rights to take collective industrial action even if it is lawful under national law.

Alongside the free movement of services, EU rules demand the complete free movement of labour, moves that will have profound effects on all trade unions operating within the EU.

Following the accession of eastern European states to the EU, migrant labour has been rapidly moving west while capital and manufacturing jobs are moving east.

While western European countries experience a large influx of migrant labour, east European countries are suffering population falls and an inevitable brain drain, leading to a loss of skilled labour and young people as well as an uncertain future of underdevelopment.

In more developed member states, wages have been under pressure in many sectors in a process known as 'social dumping', as cheap foreign labour replaces the local workforce and trade union bargaining power is severely weakened.

These problems have arisen in Ireland, most notably in the Irish Ferries dispute, when the company replaced 600 Irish seafarers with labour from Eastern Europe at considerably lower rates of pay.

The Irish Congress of Trade Unions is demanding measures to protect particularly unskilled workers where social dumping is threatening jobs.

"It is an iron law of economics that an abundant supply of labour pushes down its cost. It is insulting people's intelligence to pretend otherwise," it said in a statement.

Across Europe, it is clear that we are witnessing a large movement of capital eastwards as labour heads west. And this is happening in accordance with the principles of the Single European Market, which allow the 'free movement of goods, capital, services and labour', regardless of the social consequences.

Single market rules, therefore, truncate all forms of democracy, including rights to fair wages, working conditions, welfare and social protection and collective bargaining. These EU policies can only mean a continuation of mass migration and, ultimately, feed the poison of racism and fascism, the last refuge of the corporate beast in crisis.

To reverse this increasingly perverse situation, all nation states must have democratic control over their own immigration policy and have the right to apply national legislation in defence of migrant and indigenous workers.

The real question is whether there is to be social partnership or independent trade unions?

It is increasingly clear that EU policies represent a wholesale attack on welfare, education and social structures which trade unions and working class organisations have fought hard for over decades. So what should be the response of labour movements?

The EU strategy is clearly to use the free movement of labour, capital and services to undermine and destroy hard-won labour standards and our public services.

This neo-liberal drive will increase 'social dumping', displacing workers with cheap foreign labour and feeding racism and the far-right.

As a result resistance to the EU's corporate agenda is appearing across Europe and there a growing level of unease among working people to EU rules that shift the balance of power massively to the employer and big business and away from elected parliaments.

Instead of promoting 'social partnership', we have to ask ourselves, how can workers have the same interests as private corporate entities that lobby EU institutions to make it easier to exploit staff and bring down wages?

Endless academic papers on the need for social partnership and de-

claring the end of class struggle cannot hide the fact that trade unions should not be in the business of promoting rules drawn up by big business.

These policies only favour corporate capital and the drive to maximise super-profits by exploiting cheap labour within the EU and around the world.

However, the European TUC, which is 80 per cent EU-funded, openly colludes with the Commission and employers' groups to promote this damaging corporate agenda. Is this really what European workers want?

Ultimately trade unions should exist primarily to represent their members' interests, not to act as a conveyor belt for the policies of unaccountable and remote EU institutions.

The alternative is for trade unionists to develop their own democratic agenda based on the interests of their members and their communities. Trade unions have an important and legitimate political role to play as agents for social change, not as the neutered partners of corporate interests.

Millions of workers are finding the confidence to say 'no' to 'social dumping' and 'yes' to protecting national standards.

In order to protect jobs and our industrial base, transport union RMT is demanding that the government invests in manufacturing, training, research and development.

Manufacturing could create the wealth required to finance and develop the welfare state including a public health service that is free at the point of use, education and decent pensions.

All governments must have the democratic powers to control the flow of capital, jobs and people even if it offends neo-liberal EU rules, laws and directives designed to favour corporate capital. These are the fundamental rights of any modern, democratic independent nation.

A speech delivered by RMT president Alex Gordon to a conference organised by the People's Movement in Dublin in October 2011 on the economic crisis engulfing the European Union

Notes:

1. Lord Monks, 'Social Europe RIP?', in 'Single Market, Equal Rights? – UK Perspectives on EU Employment and Social Law' (Adam Hug and Owen Tudor, eds), Foreign Policy Centre, February 2012
2. Chris J Bickerton, 'Anti-Social Europe' *Le Monde Diplomatique* (English

- Edition), August 2011 <http://mondediplo.com/blogs/anti-social-europe>
3. *L'Union des Industries de la Communauté européenne (UNICE) founded in March 1958 changed its name to BUSINESSSEUROPE, The Confederation of European Business In 2007. It has 41 members in 35 countries including the Confederation of British Industry – CBI.*
 4. *European Round Table of Industrialists (ERT) founded in Paris on April 6-7 1983 by Pehr Gyllenhammar (Volvo), Wisse Dekker (Philips) and Umberto Agnelli (Fiat).*
 5. *Quoted in Hubert Buch-Hansen, Angela Wigger, 'The Politics of European Competition Regulation: A Critical Political Economy Perspective', Routledge (2011).*
 6. *Quoted in Belen Balanya, 'Doing business in Amsterdam: the ERT, UNICE and the Treaty of Amsterdam' Pluto Press (1999) pp 63/4.*
 7. *Jonas Malmberg, 'THE IMPACT OF THE ECJ JUDGMENTS ON VIKING, LAVAL, RÜFFERT AND LUXEMBOURG ON THE PRACTICE OF COLLECTIVE BARGAINING AND THE EFFECTIVENESS OF SOCIAL ACTION', Study for the European Parliament's Committee on Employment and Social Affairs, 11 May 2010 www.europarl.europa.eu/document/.../20110718ATT24274EN.pdf*
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5. 'Social Europe' as Cargo Cult

By Brian Denny

Around 70 years ago a strange new religion sprang up in some Pacific islands known as "cargo cults".

Islanders from Fiji to New Guinea marvelled at the seemingly endless supply of goods and other wonders that the white immigrants brought in by aircraft with little or no effort from the newcomers themselves.

So the industrious locals set about building their own airstrips complete with wooden carved headsets, bamboo masts and "control towers".

Each cargo cult was distinct and separate but operated under the same extraordinary faith system.

The most virulent cargo cult which broke out on an island now called Vanuatu lives on today and is centred around a mystical figure called John Frum.

Before disappearing, Frum prophesied that mountains would be flattened and valleys filled in - presumably for the planes to land - sickness would vanish and old people would regain their youth.

On his return Frum promised to bring a new currency stamped with a coconut and called on islanders to get rid of their money.

In 1941 this sparked a huge spending spree, people stopped working and the economy virtually collapsed.

This brings us neatly to another faith that persists in the labour movement from TUC works to the more bizarre Trotskyite sects which believe that the 'Social Europe' agenda will protect workers in the brave new Europe being built by corporate power.

The illusory social Europe agenda appeared around 25 years ago when Thatcher pushed through the neoliberal single market as part of the Single European Act, which actually marked the launch of anti-social Europe.

EU Commission president Jacques Delors was dispatched to various sceptical TUCs around Europe in 1988 to eulogise this new faith which promised full employment, workers' rights and job security in return for acceptance of social partnership, monetary union and endless European integration.



Yet the single currency project was a direct extension of anti-social Europe as it prevents countries from using currency devaluation to regain competitiveness and all pressure for adaptation is transferred to labour market "flexibility," job cuts and austerity.

Today, under this European social model, the number of unemployed people in the EU is reaching record highs since the introduction of the euro in 1999.

In eight member states alone, over 30 per cent of young people are jobless and in Spain that figure is over 50 per cent.

And EU law actively encourages social dumping, whereby cheap foreign labour displaces local workers.

Such high levels of unemployment are being compounded by maso-

chistic austerity measures enshrined in the EU's new fiscal treaty, which turns entire countries into vassals of Europe's largest banks.

This in turn is leading to social wages in the form of decent public services to disappear under an orgy of one-size-fits-all austerity and mass privatisation.

Defenders of Social Europe will dismiss this evidence and suggest that this was caused by the international banking crisis and not EU institutions turning the neoliberal screw.

In reality the Social Europe agenda has been a central tool to emasculate industrial and political trade union power.

The backbone of the Social Europe cult has been the promotion of social partnership and Works Councils which bypass traditional class-oriented trade union organisations and absorb them into the logic of capitalist production, reducing unions to "adding value" to the company.

A divine belief in the power of EU directives has also been encouraged.

However EU social law is very often "soft law," hard to implement and full of derogations and exceptions.

The Working Time Directive is a good example as offshore energy workers found out a few months ago when their long-running campaign for paid leave under the regulations was thrown out of court.

Moreover the directive is designed to replace permanent contracts with zero hour contracts, rather than limit working hours to 48 hours a week.

Under the directive working hours are viewed on three-monthly cycles which can allow employees to work 56 hours one week and two hours the next.

Similarly health and safety directives have not proved the antidote to dangerous work practices or bad employers.

According to the European Agency for Health and Safety at Work, around 6,000 workers die each year from avoidable work-related accidents, while many more suffer from occupational diseases. In the EU, a worker dies every three-and-a-half minutes.

The Temporary and Agency Workers Directive is not primarily designed to protect non-permanent labour but to make such activity the norm.

Companies have ready-made 'flatpack' solutions to get around any

benefits the directive may give vulnerable workers such as the 'Swedish derogation'.

This derogation means that any rights to equal pay of an agency worker are void when agency workers become limited companies themselves which are then employed on a permanent basis by their umbrella company or temporary work agency.

Norway's TUC (LO) recently voted unanimously against government plans to implement the agency workers' directive as it would spark widespread social dumping, deregulate labour markets and increase exploitation.

The European Court of Justice has also ruled in a number of cases that trade union rights to collective bargaining are subsumed to business rights in a variety of imaginative ways.

Yet all of this is heresy in the Social Europe cult and - as with the cargo cults - the boundless faith invested in it should not be underestimated.

A young anthropologist named David Attenborough visited Vanuatu some 20 years after the rise of John Frum.

While interviewing a cult devotee, Attenborough asked if, given that 19 years had passed and Frum had failed to return, he was downhearted.

He answered: *"If you can wait two thousand years for Jesus Christ to come an 'e' no come, then I can wait more than 19 years for John"*.

You would like to think that over two decades of faith in EU empty words and anti-democratic Thatcherite deeds would not induce such optimism within the organised working class.

This article first appeared in the Morning Star newspaper on Tuesday February 7 2012

6. The illusion of Social Europe

By Alex Gordon

As Greek trade unions launched their latest general strike on January 18 2012 against crushing austerity measures demanded by the EU/ECB/IMF troika, Britain's TUC published a new pamphlet, *'Single Market, Equal Rights? UK perspectives on EU employment and social law'*.

The pamphlet, published with the assistance of the European Com-

mission, assembles a bevy of authors from academic, legal, trade union and business backgrounds to put forward arguments for 'Social Europe'.

Its central contention is that common rules across the EU single market for "free movement" of capital, goods and services should also apply for labour.

The TUC's latest plea for Social Europe occurs at such an inauspicious moment that it puts one in mind of the theatre critic who asked: *"But apart from that Mrs Lincoln, how did you enjoy the play?"*

Greek MPs under threat from the EC and ECB to bankrupt the Greek state have voted to slash the minimum wage by 23 per cent, scrap 150,000 civil service jobs and cut old-age pensions.



In Portugal over 300,000 demonstrators crammed into Lisbon's vast Palace Square for the largest rally for 30 years to greet the troika as it met to evaluate Portugal's austerity measures.

"We make our own evaluation on behalf of those who suffer daily," CGTP trade union general secretary Armenio Carlos told supporters who chanted: *"IMF doesn't call the shots here!"*

"We have to step up the struggle," he said, and unions plan another wave of rallies across Portugal and a general strike on March 22.

Britain's TUC, by contrast, appears to believe that the same institutions currently forcing austerity on Ireland, Greece, Portugal, Spain and Italy should be prevailed upon in the words of Lord Monks: *"To deal with economic crises by forging social pacts between governments, employers and unions to share the burdens of the crisis across all sections of society".*

In reality the achievements of Social Europe are weak. The Working Time Directive was introduced to increase the French statutory 35-hour week to 48 hours, an Equal Pay Directive followed Barbara Castle's 1970 Equal Pay Act, the Agency Workers' Directive is being subverted by employers using the so-called 'Swedish derogation' and the prom-

ised consultation through European Works Councils have clearly failed to stem the tide of job losses across Europe.

Lord Monks acknowledges that the social agenda of the EU is slim. If that was the only problem, it could be dismissed as the equivalent of putting lipstick on a pig.

However, as another contributor Professor Catherine Barnard points out, the focus of the 1957 Treaty of Rome was to create a single market with free movement of goods, persons, services and capital. *"It therefore regarded labour, above all, as a resource of production in respect of which free movement was to apply."*

This is in reality an anti-social model in which workers and social rights are restrictions on free trade - a view any 19th-century mill owner would embrace.

Meanwhile, national legislation protecting workers and trade union rights have been attacked by a succession of European Court of Justice rulings applying the "four fundamental freedoms" of the EU Treaty not only to states but to trade unions.

Collective action, regardless and irrespective of whether it is conducted in accord with national constitutions or legislation, is a restriction of free movement.

Memorandums of understanding signed between the EU and Ireland, Portugal and Greece in return for bail-outs have resulted in the suspension of collective bargaining for public-sector workers, and were used by the Irish government in 2011 as justification for cutting the minimum wage by €1 an hour.

The Con Dems have not been far behind in their zeal as 'good Europeans' to apply EU austerity.

As Professor Barnard points out, *"they have used it as a cover to engage in some labour reforms of their own, for example increasing the length of service period from one year to two before an individual can bring a claim for unfair dismissal, and possibly removing the right to claim unfair dismissal for all those employed by micro-firms"*

As Lord Monks explains, the idea of Social Europe goes back to Jacques Delors, French President François Mitterrand's finance minister in the early 1980s, who presided over the failed Keynesian relaunch of the French economy.

Concluding that social democracy needed to embrace markets, Delors became EC president in 1985, a period marked by the historical

defeat of organised labour across Europe.

Post-war Keynesianism focused on full employment and rising wages. Under Delors's model this was dismantled and replaced with policies that prioritised price stability - low inflation - over job creation and focused on wage moderation and labour market reform as the main route to maintaining competitiveness.

In Italy and Germany, this change was pursued through corporatist arrangements. In Britain a direct clash between organised labour and the state took place in the 1980s.

Privatisation and liberalisation of financial markets across Europe all came about as a result of decisions by governments.

The leaders of Social Europe, such as Germany and the Netherlands, have made use of anti-social growth models.

In Germany wage moderation from unions in exporting industries has been critical to the country's success since the downturn of the early 2000s.

Similar policies have been pursued in the Netherlands, the country with the lowest unemployment in Europe but also with the highest proportion of workers on non-permanent, fixed-term contracts.

This growth model created conflicts between member states able to achieve internal competitive devaluations and those in the eurozone's periphery - such as Ireland - in which credit-fuelled growth led to wage inflation.

European monetary union is an extension of this anti-social Europe, preventing countries from using currency devaluations as ways of regaining competitiveness, all pressure for adaptation was transferred to labour markets. Now with resources tied up in bank bailouts, the reality has begun to bite.

The TUC has joined a timely debate as trade unionists across Europe are choosing to fight against EU austerity measures and the neoliberal ideology sustained by EU institutions.

Unfortunately their conclusions are not only wrong, they are woefully misleading.

Instead of fantasising about pacts between soulless social partners, the TUC should take lessons from fighting unions such as Portugal's CGTP. As it is, they are fiddling while Athens burns.

This article first appeared in the Morning Star on February 19 2012

7. Mode 4 is Social Dumping

By Linda Kaucher and Brian Denny

In September 2011 TUC Congress delegates directed the TUC to publicise and oppose the EU/India Free Trade Agreement which will see the EU open up to temporary cheap labour from India across many sectors, while the EU corporate demands being made of India will have devastating effects on people there.

The labour entry concession is called 'Mode 4'. Mode 4 commitments allow for temporary cheap skilled labour to be brought or sent into the EU. It is the pivotal request that the Indian government is making in the EU/India Free Trade Agreement.

Although this is an EU agreement, negotiated by the EU Trade Commission, the Commission admits it is essentially a UK deal. So City of London financial firms will mainly benefit, in terms of investment opportunities in India, while UK workers will suffer most from job displacement. The TUC has failed to publicise and oppose the EU/India Free Trade Agreement, which rests on demands for Mode 4 cheap labour entry, as directed by Congress.

Along with the European TUC it is also giving credence to a fictitious 'safeguard mechanism' in the agreement that is supposed to mitigate the negative effects of cheap labour entry. In fact this was a TUC suggestion.

This is how the Mode 4 'safeguard mechanism' is supposed to work.

If any sector or region is detrimentally affected by incoming Mode 4 temporary cheap labour supply, a case can be made to suspend Mode 4 entry into that region or sector for that year.

But for many reasons, this is completely unworkable.

Firstly, someone would have to collect and collate data to prove that a sector or region has been negatively affected by temporary cheap workers being sent in, in this case from India. But who would have access to that data, the means to collect and collate it, and the will to do so, including against inevitable charges of 'racism'?

Secondly, both 'sector' and 'region' are ill-defined. Sectoral categorising in 'services' is very fluid. IT, for instance, a major target for cheap labour supply from India, is cross-sectoral and, by its nature, not geographically limited.

It would take enormous drive on the part of any organisation con-

cerned about the effect on UK resident workers to then force the UK government to act. It would most certainly not be the TUC. But who else would do it, with credibility?

If any such case was ever made, the UK government would then have to have the political will to convince the EU to invoke a 'safeguard clause' against the tide of trade commitment permanence. This is highly unlikely.

It would also mean creating a precedent. No 'safeguard clause' has ever been invoked in trade-in-services. Even in the relatively straightforward area of agricultural trade, a 'safeguard clause' in response to, for instance, a surge in rice prices in a country, has proven too difficult to implement.

If this point was ever reached, the question would then arise of whether it would be the EU or the Member State that would bear the penalty associated with the use of a 'safeguard mechanism'. Current disagreements in the EU do not suggest any easy resolution.

And the trading partner, in the case of the EU/India Free Trade Agreement, the Indian government, would then have to agree to stop sending in cheap labour and cashing in on the wage difference, when trade commitments to this effect had already been made.

And any such hypothetical stoppage would then be only for a year before it would start over again.

So – effectively - there is no safety mechanism to protect workers against detrimental cheap labour surges.

Yet the TUC has not only quietly accepted the Mode 4 commitments that the EU Trade Commission is making on our behalf, but has supported this phoney 'safeguard mechanism'.

The Trade Commission recently circulated its proposal for its Mode 4 offer to India to Member State governments for a very short consultation period.

There is of course no public consultation here in the UK, where the trade deal is as secretive as ever.

The document proposes dividing the EU's Mode 4 commitment among the 27 Member States. Each country has a 'ceiling' figure for its commitment. The UK has the highest 'ceiling' commitment, slightly more than that of Germany.

But the EU proposal document is itself a con trick.



Indian workers protesting against Mode 4/FTA

While the Mode 4 ‘ceiling’ figures are numerical limits to commitment, it is then up to Member States whether they use these ‘ceiling’ figures as upper limits for entry, or opt instead for higher or unlimited entry numbers.

The liberalising UK government, driven by the City of London financial services industry,

has already set up the ‘international agreements’ category in Tier 5 of the UK Points Based System with no numerical limits. Clearly, in the UK there will be no upper limit, bearing in mind that this is essentially a UK/India agreement.

Similarly the document suggests that beyond the ‘ceiling’ Mode 4 commitment figures, Member States can use Economic Needs Testing, meaning offering jobs to resident workers before any more Mode 4 entry is allowed in a sector. Again, it is clear that the UK would not use this limiting option either.

What this EU proposal document does is assure other Member States and their labour organisations that they can have strictly limited entry if they want, which will in turn ensure that those Member States support the trade agreement in the European Parliament.

This document has been carefully crafted to meet all these needs and get the agreement through, without workers realising the threat.

The TUC is failing to carry out Congress decisions, supporting UK government and EU secrecy on Mode 4 and on the current consultation process and the trickery of EU proposals and is actively supporting the phoney ‘safeguard mechanism’.

This amounts, effectively, to TUC collusion with the City of London Corporation, the Corporate-driven UK government and the EU Trade Commission – against the interests of UK resident workers as well as of the people in India who are mounting widespread protests against this agreement.

With friends like this, do UK workers need enemies?

8. 'Social Partnership' and austerity in Greece

By John Boyd

Greece is reaching the limit of what austerity can be endured and budget cuts alone will not save the economy said Danish IMF official Poul Thomsen who is overseeing the austerity programme: *"We will have to slow down a little as far as fiscal adjustment is concerned and move faster...with reforms needed to modernise the economy"*, he said.

His words came just days after EU leaders criticised the Greek premier, their own appointee, for not keeping to an agreed reform programme, including lowering labour costs and privatising the remaining state assets.

Germany has been the loudest critic when Chancellor Angela Merkel spoke of her *"frustration"* with Athens. This was topped when Berlin circulated a controversial idea to have an EU commissioner put in charge of Greece with dictatorial powers over all spending decisions. This flies in the face of all aspects of formal democracy and an electorate's right to tip out a government it dislikes. This suggestion has for the moment been put on the shelf but may well be put in place at some point.

There have been several general strikes and massive street protests led by trade unions against the IMF-EU-ECB austerity programme.

One protest on January 18 2012 consisted of trade unionists opposed to the austerity policies invading a "social partnership" meeting and bringing it to an abrupt halt. At this meeting were leaders of trade unions in favour of the cuts meeting with employers. One of these trade union leaders fled from this meeting.

A small selection of what was tabled at the so-called 'social dialogue' included:

- a two year wage freeze
- restrictions of the seasonal bonuses
- exemption for the employers from up to 15 per cent of the social security contributions which they provide for employees
- the automatic corresponding increase of their profits
- a five per cent reduction of business tax

Apparently, the Greek government is willing to sign up to another €4.4 billion worth of spending cuts this year to secure a further bail-out loan. The consequent cuts - amounting to about two per cent of gross

domestic product - will be in defence, health-care and pharmaceutical spending.

Greece's first bail-out from May 2010, amounting to €110 billion, relied on tax hikes and cuts in wages and pensions, reducing the country's deficit from €24.7 billion to €5 billion in just two years. But the country's soaring borrowing costs have made its debt unsustainable.

A parallel, unprecedented deal with private lenders is being sought to slash at least 50 per cent of the interest that creditors would cash in on some €200 billion worth of Greek bonds - a precondition for the second IMF-EU-ECB bail-out. However the private lenders do not want to lose their expectations of money from high interest loans.

The fight is well and truly engaged between employers with bankers against trade unions and the people of Greece.

This article first appeared in The Democrat journal of the Campaign against Euro-federalism in February, 2012

9. Norway says 'no' to Social Europe

By Brian Denny

Norwegian trade unions launched a general strike on Wednesday January 18, 2012 against the government's planned implementation of the *EU Temporary and Agency Workers Directive* into national law and the social dumping that it would spark.

The fact that nationwide strike action is taking place against a directive that allegedly makes up a large part of the 'Social Europe' agenda tells us a lot about what this agenda actually delivers.

Norwegians have twice rejected European Union membership in referendums, but the country joined the European Economic Area (EEA) in 1994 and is a member of the European Free Trade Area (EFTA) along with Iceland and Liechtenstein.

Oslo's EEA membership means it must effectively follow EU rules on the free movement of goods, services, capital and labour in return for access to the EU's single market.

However a recent opinion poll suggested that 76 per cent of Norwegians wanted their country to remain outside the EU.

Mass trade union rallies took place in around 40 cities including Oslo, Bergen, Trondheim, Kristiansand, Stavanger, Haugesund,

Tromsø, Gjøvik, Raufoss, Fredrikstad, Arendal, Porsgrunn and Sarpsborg.

Unions argue that the implementation of the EU Temporary and Agency Workers Directive will undermine Norwegian labour laws and introduce the large-scale use of temporary and agency workers,

forcing out permanent workers and weakening workers' rights and collective agreements.

The directive also gives final authority over Norwegian employment legislation to the EFTA Court, a supranational judicial body responsible for the three EFTA/EEA members Iceland, Liechtenstein and Norway.

This court is very similar to the EU's European Court of Justice (ECJ) which has already made some draconian judgements striking down trade union collective bargaining rights in nearby Sweden and Finland in the Laval and Viking cases.

The EU court ruled that EU treaties business rights to "establishment" overrule basic trade union rights. These rulings have not gone unnoticed in Norway.

The Norwegian Confederation of Trade Unions (LO) is demanding that the government reject the directive and introduce laws to ensure that wages and working conditions for those who are hired are the same as for the permanent employees.

The Working Environment Act, brought in in 1994, currently lays down that permanent employment is the main rule in Norway, with strict exemptions for the use of contract labour and temporary employment.

Backing the action, International Transport Workers Federation general secretary David Cockcroft said Norway's legislation on contract labour and temporary employment was some of the best there is.

"The directive doesn't just risk taking a good law and making it mediocre - it could also strip the rights currently enjoyed by workers and open the flood-



gates to their replacement by precariously employed temporary and agency staff who will themselves get inferior employment protection," he said.

ITF president Paddy Crumlin said Norwegian unions and workers were stepping up to defend legislation that "*does the job it's meant to*" ie defending workers' standards of living.

Norway has low unemployment compared with many other European countries and much less use of temporary labour. The growth of temporary and agency workers is uneven across Europe but is inextricably linked to how deregulated the economy is in line with neoliberal EU rules covering the single market.

According to figures released in 2007 the number of temporary and agency workers in Germany was just 8,172. In the UK it was nearly 1.2 million. That number has probably expanded across the EU since then and pressure is being applied to ensure the number of temps grows in Norway.

A recent government-commissioned report by Professor Fredrik Sejersted of the University of Oslo found that Norway has embraced 75 per cent of the EU's regulations over the years and more than 6,000 EU laws have been included in Norwegian law. "We are almost as deeply integrated as the UK," he says.

His report '*Outside and Inside*' finds deep implications for Norway's society, economy and democracy and expresses concern at the political consequences of adopting EU policies "*without voting rights*".

Sejersted calls this a "*great democratic deficit*," suggesting that as Norway's integration with the EU has intensified, media, public and political understanding has shrunk massively.

"*There are few areas of Norwegian democracy today where so many know so little about so much as is the case with Norwegian European policy*", he says.

Europhiles of all political hues will no doubt attack Norwegian workers for resisting this silent neoliberal drift as being 'selfish', 'protectionist' or even 'racist' for not allowing the wholesale deregulation of the legal framework covering labour law and work practices.

But this strike reveals the deep rift between the democratic demands of Norwegian voters and the machinations of the Norwegian political class and its collusion with the EU to implement a neoliberal economic and social agenda without a mandate to do so.

This article first appeared in the Morning Star on January 19 2012

10. Conclusions

As this pamphlet goes to press The European Commission has presented a draft Regulation, the so-called Monti II Regulation, in a supposed attempt to address confusion around on cross-border collective actions resulting from the European Court of Justice's judgements in Viking and Laval.

Unsurprisingly the Commission's proposal simply embeds in the Regulation the primacy of economic freedoms over fundamental rights including the right to take collective action.

By way of Articles 2 and 3(4), the Commission also introduces the principle of 'proportionality' on the exercise of fundamental rights. This gives the ECJ the right to decide what strike action is 'proportional' or not.

From now on, under EU law, the economic rights of big business trump the human rights of workers to defend their interests and withdraw their labour. By restricting basic trade union rights, the EC is paving the way for wage cuts, social dumping and an eternal drive to the bottom for workers.

This is, indeed, the rotten heart of Europe.

But the persistent call from some to correct this state of affairs by 'democratising' the EU is simply unachievable.

The Lisbon Treaty is nothing more than a cast iron manifesto for capitalism which intentionally rules out any other economic system. This unique constitution is deliberately designed to be a predatory alliance of transnational corporations without the encumbrance of nation states and real democracy.

In particular this constitution now has additional caveats lined up for eurozone members. These consist of further treaties including the Stability Mechanism and Fiscal Pact to take away all traces of independence and democracy to form a Euro-federalist core within the EU. An intention of all this is to hand everything to private capital so that exploitation can be increased whilst binning employment conditions, collective bargaining, pensions and all social protection and accountability.

The latter is carried out by national governments in line with the objectives of the Lisbon Treaty. They are rubber stamped by parliaments where the majority of MPs support the common policies despite

huge popular resistance and opposition in many member states. Parliaments and governments do not have to carry out policies decided upon or dictated by Brussels. Instead, they could reject the common policies and carry out measures on behalf of the peoples in their countries and defy corporate capital's aspirations.

Europhiles in the labour movement continually ignore the fact that any change to the Lisbon Treaty now requires agreement at the EU level by the heads of 27 member states. That necessitates all 27 governments to be sympathetic to proposed changes – a deliberately impossible task to achieve.

The only rational course to take is to leave the EU so that each State can have their own currency and the power to decide all matters on behalf of the peoples of that country including the economy. The struggle for democracy is primarily the fight for national independence.



11. Time line

Rome Treaty - Social Charter - Social Chapter - Social Europe

By John Boyd

- 1958:** *Economic and Social Committee (ESC)* established by *Rome Treaty* (1957) and consists of representatives of employers organisations, trade unions and other interests appointed by the *European Council* (summit). The ESC is a consultative body and has no powers.
- 1961 October:** EEC Summit Turin *European Social Charter*
- 1973:** Britain joins EEC Six with Ireland and Denmark. TUC opposes EEC membership.
- 1979:** Election of Conservative Government with MThatcher as Prime minister.
- 1984-85:** Miners Strike.
- 1986-87:** Wapping print dispute between News International and trade unions.
- 1985-95:** Jacques Delors Commission President, formerly a member of Socialist Party in France, an MEP from 1979-81, 1981-84 Minister in Mitterrand Government.
- 1987:** *Single European Act* is signed in by Britain (Thatcher Government). This Treaty laid basis of *Single European Market*, single currency and *Social Europe*. EEC renamed *European Community (EC)*. *European Assembly* renamed *European Parliament (EP)*.
- 1988:** Delors speech on *Social Charter* to ETUC Stockholm conference.
- 1988 June:** Hanover EC Summit affirms importance of social aspects of Single European Market.
- 1988:** Delors addressed British TUC promising EC would introduce pro-labour legislation. TUC Congress adopts support for EC membership – the delegates were not mandated to vote for this. Delors persuaded T&G General Secretary Ron Todd to support Britain's membership of the European Community. The political device used by Delors was the Social Charter. Todd said the EC "...is the only card game in town". Delors also addressed other national TUCs in other Member States with the largest scepticism towards the EEC - Denmark and Ireland.
- 1988 November:** Commission invites ESC to discuss content of *Charter of Fundamental Social Rights for Workers*.
- 1988 December:** Rhodes EC Summit emphasised "realisation of the single market should not be regarded as a goal in itself".
- 1989 February:** ESC adopts Charter.
- 1989 March:** EP adopts resolution on "the social dimension of the single market". It called for "the adoption at Community level of the fundamental social rights which should not be jeopardised because of the pressure of competition or the search for increased competitiveness, and could be taken as the basis for the dialogue between management and labour".
- 1989 June:** Preliminary Draft of Social Charter discussed by European Council.

- 1989 June:** Madrid EC Summit, Member States point out that equal emphasis should be placed on social aspects as on economic aspects of single market.
- 1989 October:** Final draft of Charter published by Commission. European Council finalised draft Charter.
- 1989 November:** Action Programme linked to Charter published by Commission.
- 1989 December 17:** Blair (Shadow Employment Minister) statement said unions could not have both Social Chapter and the 'closed shop' and that legislation had to be in line with EC laws. This was one plank in platform of New Labour Party policy.
- 1989 December 9:** At EC Strasbourg Summit 11 Member States adopted Charter as a solemn non-binding agreement which was linked to a Social Action Programme. The Charter was not signed by UK the 12th Member State.
- 1991:** Term "Social partners" came out of UNICE/CEEP – ETUC dialogue (UNICE is now called Business Europe, CEEP = European Private and Public employers)
- 1992:** Social Protocol becomes "Social Chapter" at back of Maastricht Treaty and is not a chapter. Britain retains opt out from this protocol.
- 1992:** Maastricht Treaty for Single Market and economic and monetary union (EMU) with euro as single currency – Britain and Denmark opt out of euro but put in place criteria for joining EMU.
- 1992:** Anti-trade union legislation introduced by Conservative Government and passed by Parliament. This limits number of pickets and outlaws secondary picketing and requirements for balloting before strikes.
- 1993:** EC renamed European Union (EU) following implementation of Maastricht Treaty.
- 1995:** Clause 4 of Labour Party Constitution amended to exclude socialism.
- 1996:** Posted Workers Directive on free movement of workers becomes part of EU legislation.
- 1996:** 'New Labour' launched.
- 1997:** Election of New Labour Party Government with Tony Blair as Prime Minister.
- 1997:** Amsterdam Treaty includes a Social Chapter as New Labour government signs this Chapter.
- 2000 December 7:** Nice Treaty includes Charter of Fundamental Rights and Basic Freedoms signed by European Convention, Commission, Council and Parliament but without legal effect.
- 2003:** Viking Ferry dispute
- 2005 June:** European Constitution rejected in referendums by France and Germany.
- 2005:** Blair, Prime Minister, says at EU summit "what's that?" to "European social model".

- 2008 December 12:** Strasbourg summit adopts *Charter of Fundamental Rights of the European Union* and has same legal value as the Treaties.
- 2009 December:** Redrafted European Constitution as Lisbon Treaty put in place after second referendum in Ireland. However, prior to 2009 it was cited by European Court of Justice in several judgements including – Laval (building workers collective agreement), Luxembourg (2006 Posted Workers Directive), Viking (2007 ferry services) and Ruffert (2008 Posted Workers Directive)
- 2009:** European Constitution (aka Lisbon Treaty) put in place after second referendum in Ireland. This Treaty ends intergovernmental arrangements and turns EU into a superstate where national ministers are accountable to the EU in the first instance rather than their own nation-state.
- 2011-12** Monti II a new EU regulation on right to strike and makes national courts subjugate to this EU legislation.
- 2012** Introduction of tight fiscal controls and further austerity measures into the eurozone includes the European Stability Mechanism (ESM), a fiscal pact and a proposed change to Article 136 of the Lisbon Treaty/ European Constitution. The ESM caused a referendum to be held in Ireland.

Abbreviations

EC	European Community
ECJ	European Court of Justice
EEC	European Economic Community
EEA	European Economic Area
EMU	Economic and Monetary Union
EP	European Parliament
ERT	European Round Table of Industrialists
ESC	Economic and Social Committee
ESM	European Stability Mechanism
ETUC	European Trade Union Confederation
EU	European Union
SEA	Single European Act
T&G	Transport and General Workers Union
TUC	Trades Union Congress
UNICE	Union of Industrial and Employers' Confederations of Europe (Now Business Europe)