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9. Trade unions and the future of the European model of capitalism

Introduction

The purpose of this book was to analyse trade unions' positions on EMU and European co-operation in order to assess their perceptions of how to represent best the interests of their members in times of global restructuring. Related to this was the concern of whether in the process of dealing with EMU, trade unions had accepted neo-liberal restructuring or whether they were still attempting to oppose it and, therefore, to what extent they play a role in the resistance to neo-liberal globalisation. In Chapter 2, a neo-Gramscian historical materialist perspective was developed that was able to comprehend the historical specificity of capitalism as well as to conceptualise the current capitalist stage of transnational class formation and, as a consequence, labour as a potential international actor. Globalisation was understood as the transnationalisation of production and finance at the material level and the shift from Keynesianism to neo-liberal ideas at the ideological level. As a result, it was argued that there are now also transnational class fractions of capital and labour. While globalisation is not a uniform process across the world, European integration is clearly a part of globalisation. The transnationalisation of production partly drove and was partly driven by the Internal Market programme and revived European integration included the formation of an integrated European financial space. The 'state project' underlying this revival was neo-liberal as expressed in the four freedoms and the common competition policy of the Internal Market, the independent ECB, the convergence criteria and the SGP of EMU as well as the rationale driving the 1995 and 2004 EU enlargements. Against the background of this new structural framework of the partial transnationalisation of production and the shift towards neo-liberal economics at the global

as well as the European level, the following hypothesis was formulated in respect of trade unions' positions on EMU and co-operation at the European level:

That a labour movement's position on EMU depends crucially on its length and degree of exposure to the competitive pressures of globalisation. Unions, which represent workers in transnational production sectors, are more likely to support EMU, because they may support their companies – on which their own well-being depends – which benefit from a stable monetary environment and institutionalised free trade within the EU. Moreover, because they realise that they have lost control over capital at the national level, they are probably prepared to co-operate with other unions at the European level. National production sector unions, on the other hand, are likely to oppose EMU, since it undermines national policy autonomy and, thus, the support, on which their sectors depend. Relying on the state, they may also be less concerned about European co-operation.

As it was, however, also argued, social forces continue to operate within and through national forms of state. As a result of the different historical development of capitalism in the five countries under investigation and despite similar restructuring pressures related to globalisation, a continuing divergence of national institutional set-ups was identified. Hence, while trade unions still enjoyed considerable impact on policy-making within the structural selectivity of the Swedish form of state, for example, their rights had been drastically cut back in Britain. This led to the following second hypothesis:

That those trade unions, which lose influence within the national institutional set-up, are probably more in favour of European co-operation and the establishment of an industrial relations system as well as social regulations at the European level to counter global pressures. By contrast, unions which still enjoy considerable impact on policy-making at the national level are likely to be less interested in European co-operation.

Throughout this study, in line with the first hypothesis, the main focus was on the potential division between transnational and national labour, rather than on a country by country comparison, also in order to avoid the implicit emphasis on national differences

inherent in the latter strategy. This conclusion will, however, first present an overview of the empirical results focusing on the different situations within the countries as well as the European level. In a second move, consideration will be given to possible alternatives to neo-liberalism as exemplified by EMU, before possible strategies to achieve these alternatives are reflected upon.

Trade unions vis-à-vis EMU and European co-operation in Austria, Britain, France, Germany, Sweden and the EU

Split between transnational and national labour in Britain

The TUC led the pro-EMU membership debate within the British labour movement. Introducing the Euro would save manufacturing jobs and ensure the continuation of inward FDI. It would, moreover, allow Britain to be at the heart of decision-making within the EU and imply a continuing positive impact of the European social model on British domestic politics. The TUC was less worried about the impact of the convergence criteria and SGP on public spending, since British fiscal policy would be even tougher. In short, EMU membership had clear economic and political advantages in the eyes of the TUC. This position was strongly supported by affiliated unions who organise workers in transnational finance (e.g. UNIFI), and transnational production (e.g. AEEU, CWU). They all stressed the negative impact of a high Sterling in relation to the Euro and exchange rate instability, leading to drastic job losses especially in manufacturing. This position was also confirmed by the pro-EMU position of the transnational manufacturing sections within the general unions GMB and MSF. Nevertheless, the opposition to EMU by sections linked to domestic production sectors within the general unions indicated the general split between national forces of labour and transnational forces of labour over EMU as envisaged by the first hypothesis. Domestic production sector unions such as UNISON, RMT and UCATT rejected EMU membership for its neo-liberal rationale expressed in the convergence

criteria and the SGP. It would put pressure on cutting back public spending and, therefore, prevent the renewal of British public services as well as the creation of public sector jobs. If at all, EMU membership would actually imply job losses in the public sector. Additionally, these unions criticised the ECB for its exclusive focus on price stability expressed in its asymmetrical inflation target, for example, and its lack of transparency and accountability. The tensions resulting from the split between national and transnational forces of labour was perhaps most visible in the position of the T&G, organising members in the domestic public as well as transnational manufacturing sector. While the union accepted that EMU membership would bring economic benefits to Britain in the medium to long term, it opposed membership for the period of 2001 to 2005, because the SGP would prevent the much-needed renewal of the British public sector.

This division between transnational and national labour was also visible over co-operation at the European level. While the TUC – its former General Secretary John Monks became the ETUC General Secretary in 2003 – and transnational sector unions as well as especially the general union GMB pushed for increasing co-operation at the European level, national sector unions continued to concentrate on the national level with their policy-making efforts. Nevertheless, this division should not make us overlook the fundamental shift of British labour (national and transnational) towards a pro-EU position. This generally positive attitude towards the EU, including also those unions that are opposed to EMU, can be related to the second hypothesis. Against the background of a Conservative onslaught on trade union rights during the 1980s and 1990s, British unions had generally moved towards a positive position on the EU as such. They tried to further the interests of their members at the supranational level, since they had been weakened within the transformed structural selectivity of the British form of state. With the Labour Party's return to power in 1997, there was a temporary re-orientation to the national level and party – union co-operation intensified especially prior to general elections.¹

Nevertheless, this could not mask unions' increasing sense of disillusionment with 'New' Labour and its policies. Especially the government's intention to facilitate private sector involvement in the provision of public services via private finance initiatives (PFI) had already led to union backlashes. The GMB announced on 17 July 2001 that it would cut up to £1 million from its contribution to the Labour party over the next four years in protest of continuing privatisation of public services (GMB, 2001b). At UNISON's annual conference in June 2001, delegates demanded a review of the union's multi-million pound support of the Labour party with potential future cuts in mind (Guardian, 22 June 2001). The following year at the Labour annual conference on Monday, 30 September 2002, a union motion for the review of PFI schemes was backed by a majority of union activists with the support of constituency delegates against the will of the Labour leadership (Guardian, 1 October 2002). In short, a renewal of the stronger focus on Europe may occur in the future.²

The rejection of EMU membership due to its neo-liberal bias clearly indicated the opposition to neo-liberal restructuring by domestic labour in Britain. Transnational sector unions, too, however, continued to oppose neo-liberalism. Here a sub-division could be identified. On one hand there was a group of unions around the TUC and AEEU, which were not worried that the SGP would have a negative impact on public spending. The Social Dimension should be further developed to accommodate restructuring, but the underlying rationale of EMU could remain the same. On the other hand, unions such as the GPMU, UNIFI and GMB were concerned about the implications on public spending levels and demanded a government commitment not to cut back public spending in case of EMU membership in exchange for their active support in a future referendum on the Euro. The GMB's demands for a larger EU budget and European employment programmes indicated clearly the union's support for a change of the rationale underlying EMU towards more demand-oriented employment policies. As the confederation, the TUC attempted to

maintain a line, which would guarantee maximum possible unity of the British labour movement. Hence, in addition to emphasising the importance of the Euro for manufacturing and inward FDI, the TUC General Council argued in its report to the 2003 TUC Annual Congress that an expansion of the social model as well as assurances that EMU membership would have no detrimental impact on public investment were equally important (TUC, 2003b: 2). In the event, this statement could not overcome the resistance of those unions, opposed to EMU membership (TUC Annual Congress, 2003).

Support for EMU but division over European co-operation in Germany

In Germany, the DGB's 'yes, but' position was dominant amongst its affiliated unions, whether they organise internationally-oriented/transnational or national sector workers. Hence, in contrast to Britain, there was no split over EMU in the German labour movement. The vast majority of unions supported EMU, partly because it would remedy the problems of an appreciating DM for German exports and partly because it was regarded as an important step of further European integration, representing an essential part of German foreign policy after World War II. Additionally, in line with the general focus on the social relations of production advocated by the neo-Gramscian perspective central to this book, it was asserted that there are hardly any purely domestic production sectors any longer in Germany in the wake of the liberalisation and privatisation of large parts of the public sector. Finally, it was noted that EMU was already a reality, when research for this project was carried out. Hence, unions had accepted EMU and focused on how to cope best with its implications rather than thinking about how to prevent it as in the case of British and Swedish unions. At the same time, however, German unions criticised the neo-liberal implications of EMU as represented in the convergence criteria and the ECB's exclusive focus on price stability. Unions generally demanded active employment policies at the national and European level, a more flexible interpretation of the

convergence criteria, with some even wanting to add an unemployment criterion to demonstrate a stronger emphasis on employment and growth. Some unions also mentioned wage increases in line with inflation and productivity increases in order to ensure domestic demand as well as tax harmonisation to avoid regime competition within the EU as additional steps. The goal had to be a further development of the Social Dimension in order to obtain a social model of capitalism in contrast to the market-oriented model of the USA. This would also imply an additional democratisation of the EU through more power for the supranational institutions in order to make the ECB accountable.

The IG BCE was a slight exception in that it accepted EMU, but was less critical of its neo-liberal implications. This indicated a more accommodationist position, also visible in the union's focus on agreements with employers at the national level at the expense of intra-union co-ordination at the European level. The IG BAU was a further exception. Although construction is a transnational sector in Germany, it relied heavily on public investment in infrastructure projects. The IG BAU, consequently, rejected EMU and demanded that at least its start was postponed. Neo-liberal restructuring had led to cut backs in public investment and the union's members were directly affected by this. Finally, it was shown that the DBB and Transnet were less critical of neo-liberal restructuring as represented by EMU exhibiting a similar position to the IG BCE. At least in the case of the DBB, this could be explained as a result of it representing a more privileged clientele within the German public sector, i.e. the Beamten. As they cannot be made redundant, they are immune against the negative impact of neo-liberal restructuring on the public sector. Only in relation to the issue of co-operation at the European level, could a division be observed in Germany. While transnational sector unions, with perhaps the exception of the IG BCE, were heavily involved in European-level efforts, domestic public sector unions continued to concentrate predominantly on the national level in their efforts to influence policy-making. The latter argued that the public sector had mainly national characteristics

and national employers as the unions' counterpart. Transnet was the slight exception here. Due to the increasing number of EU regulations in transport, the union emphasised the increasing importance of European-level activities.

The ideological split of the French labour movement

There was a clear split in the French labour movement, which ran along ideological lines rather than production sector differences. On the one hand, the confederations CFDT, CFTC, CFE-CGC and UNSA supported EMU as well as stronger co-operation at the European level with an emphasis on social dialogue and collective bargaining. While CFTC and UNSA, however, strongly opposed the underlying neo-liberal structure, the CFE-CGC endorsed the focus on price stability very similar to the Swedish union SACO, and the CFDT accepted neo-liberal principles to some extent in that it did not reject the convergence criteria and the independent status of the ECB. On the other hand, FO and G10-Solidaires strongly criticised EMU for its neo-liberal rationale. The transfer of this criticism into a more general criticism of European integration also implied that both unions were not in favour of co-operation within the existing EU institutions via the ETUC. FO instead concentrated on the workplace while G10-Solidaires attempted to forge alternative alliances at the European level, including also new social movements. The CGT occupied a middle position. While it vigorously criticised neo-liberal restructuring, this was combined with a strategy that included collective bargaining and European-level co-operation. With the exception of FO, this focus on the European, international level could be explained through a reference to the second hypothesis. Due to a lack of impact on policy-making within the French form of state – similar to British unions although in a different way – French unions saw the regional level as the best way forward.

The ideological division between unions became also apparent in the analysis of French transnational sector unions. The CGT transnational federations in line with their

confederation rejected EMU despite the transnational nature of their sector, while the CFDT-Banques also rejected EMU, but this time in opposition to its confederation. The CFDT, dominated by members in the private and often transnationalised sector, itself supported EMU. FO de la Communication, again, despite its transnational production sector, heavily criticised EMU in line with its confederation. The first hypothesis, however, was at least partly confirmed in relation to its second part. As expected, these various transnational sector unions, even if they rejected EMU, favoured stronger European-level co-operation. This was frequently justified with the increasingly transnational character of their production sectors. The practice of these intentions, of course, differed from union to union, reflecting also the different level of co-operation within the European industry federations. Thus, the CGT-metallurgie participated in the co-ordination of wage bargaining within the EMF, while the FNIC-CGT concentrated on co-operation across borders in EWCs. Importantly, both CFDT-Banques and SUD-PTT also increasingly focused on co-operation with other social movements in their struggle against neo-liberal restructuring.

Two education unions and, thus, domestic production sector unions were analysed and the ideological split could be observed there too. While UNSA-Education supported EMU despite misgivings about its neo-liberal principles, the FSU strongly opposed EMU for its neo-liberal contents. Both unions concentrated on the national level in their efforts to influence policy-making considering that education policy is predominantly a national matter. When engaging in European-level co-operation, UNSA-Education worked through the ETUC-E and was generally positive about the European-level trade union structures. FSU, by contrast, strongly criticised the ETUC for its lack of opposition vis-à-vis neo-liberal restructuring. Hence, it put more effort into co-operation with other social movements.

Austrian trade unions and the reality of EMU

The ÖGB set the tone of the general debate in Austria. It accepted that EMU and the single currency were beneficial in that they implied greater levels of economic stability. Nevertheless, the underlying basis of EMU, its neo-liberal rationale, needed to be changed, it was argued. EMU should have full employment as its core focus and a related unemployment criterion was demanded in this respect. Moreover, the ECB should be asked to concentrate on growth and employment in addition to price stability, following here the US Federal Reserve Bank. This should also imply a redefinition of the inflation target. Finally, the ÖGB demanded that in order to ensure domestic demand within the EU, wage agreements should follow the formula of productivity increase plus inflation. As a result of Austria's comparatively less transnationalised production structure, only two unions represent workers in clearly internationally-oriented and transnational production sectors, the GMT and GdC. Both supported EMU and both were in favour of European-level co-operation as expected in the first hypothesis. In relation to European co-operation, however, only the GMT was strongly involved, while the GdC saw fewer opportunities within the less active European industry federation EMCEF. Importantly, the support for EMU went hand in hand with a lack of critical engagement with neo-liberal restructuring. Especially the GdC was little concerned about the neo-liberal implications of monetary union.

Four unions organise workers in almost exclusively domestic production sectors, the GdG, GdE, HTV and GÖD. The former two rejected EMU due to its neo-liberal rationale. At the same time, however, they accepted that it was too late for open opposition, since Austria had become an EU as well as EMU member in 1995. Thus, the fact that Austria was already an EMU member at the time of the research for this study had an impact on these unions' positions very similar to the German case. The HTV and GÖD were more positive about EMU, but demanded that the room of manoeuvre within the

criteria was used for public investment and employment programmes. In the case of the GÖD, a small ideological rift to the other unions could be discerned, considering that the GÖD is dominated by the Christian union fraction, not the socialist fraction unlike the other ÖGB affiliates. Five Austrian unions, the ANG, GBH, HGPD, GPF and GPA, organise workers in domestic production sectors with an increasingly internationally-oriented/transnational aspect since EU membership in 1995. These unions were critical of EMU and neo-liberal restructuring, but this was now regarded as a matter of fact to which unions had to adapt. Hence, similar to the ÖGB position, EMU was accepted, partly even welcomed as a guarantee for a stable economy, but a change in its neo-liberal rationale was sought. Demands included an additional unemployment criterion, employment programmes at national and European level and an anti-cyclical monetary policy by the ECB through more rapid cuts in interest rates. In relation to European-level co-operation, domestic sector Austrian unions, including those organising workers in increasingly export-oriented and transnational production sectors, continued to concentrate on the national level in their policy-making efforts. This had to be seen in close relation to the traditionally extremely strong position within the structural selectivity of the Austrian form of state. As expected in the second hypothesis, unions in such a situation were much less prepared to shift competencies to the regional level. The future will tell whether the increasing undermining of these possibilities at the national level (see Chapter 4) will result in a change in Austrian unions' outlook. Only the GdE, very similar to the German union Transnet, had increasingly shifted its efforts to the European level. Considering that so many decisions on transport were taken in Brussels, the European level was deemed to have become increasingly important.

The Swedish labour movement and the focus on the domestic arena

As expected in the first hypothesis, transnational forces of labour, the companies of which were directly affected by the single currency, were supportive of EMU, while national labour opposed it. In the case of the latter, the two unions, which openly rejected EMU, Handels and the Transport Workers' Union, linked their opposition to EMU to a clear rejection of neo-liberal restructuring, perceived to be embodied in the convergence criteria and the role of the independent, undemocratic ECB. Nevertheless, several of the national sector unions, which had not adopted a position on EMU, i.e. Kommunal and Byggnads from LO and SKTF from the TCO, were less critical of neo-liberal restructuring or, indeed, had adopted some neo-liberal principles. For example, they accepted the low inflation policy as well as the role of moderate wage development in maintaining economic stability. This was even more visible in the positions of the transnational sector unions and the changed position by LO. In general, the whole debate in Sweden about EMU prior to the 2003 referendum wavered around the question of how to stabilise the national economy as an EMU member in times of economic recession. Transnational sector unions argued that a budget surplus was enough, some argued in favour of additional buffer funds, and the two LO unions opposed to EMU argued that retaining the exchange rate was essential. The possibilities of how to generate economic growth and jobs at the European level were not explored in the discussion on EMU (Interview No.40; Stockholm, 24/06/2002).

Interestingly, there was no split of unions over European co-operation parallel to the split over EMU. The focus of national labour on the domestic level of policy-making could still be explained through a reference to the first hypothesis. In order to explain the reluctance of Swedish transnational labour as well as union confederations to co-operate more extensively at the European level and to demand a concrete further development of the Social Dimension as a major precondition for EMU support, it was necessary to turn to the structural selectivity of the Swedish form of state. Since 1997, transnational labour and

capital had successfully co-operated in sectoral collective wage bargaining. In line with the second hypothesis, it was this strong influence on policy-making at the national level, which had made Swedish transnational labour reluctant to engage more strongly in co-operation at the European level.

Finally, SACO organising employees in managerial positions had come out strongly in favour of EMU from early on and even demanded neo-liberal policies such as a greater wage disparity as the best way forward to make the Swedish economy more competitive. As in the case of the French CFE-CGC and to some extent the German DBB, SACO's position could be linked back again to the first hypothesis. The neo-Gramscian perspective adopted here does not only expect a division between national and transnational labour, but also between established labour at the core of the labour market and workers on atypical contracts in the periphery. SACO clearly organises highly skilled, well trained and flexible members of the workforce often in managerial positions. It was its members, who were likely to gain most from neo-liberal restructuring as expressed by EMU, which it consequently supported. In summary, there had, first, been a shift away from positions critical of neo-liberal restructuring in Sweden and second, the European level had drastically lost attraction. As a result, it is less likely that Swedish labour will play a leading role in European efforts to resist neo-liberal restructuring in the near future.

The different level of independent activities by EIFs at the European level

In relation to EMU, there was no open split between transnational sector and national sector EIFs. Of course, transnational sector unions such as the EMF and EMCEF welcomed EMU also for economic reasons, since the companies in their sectors benefited from a single currency and had to some extent already operated with European-wide common currency accounting systems. National sector unions and here especially EPSU, on the other hand, were clearly worried about the implications of the austerity budgets for

the public sector resulting from the convergence criteria. The traditional public sector had been undermined due to job cuts and measures of deregulation, liberalisation and privatisation, often driven by EU directives. Nevertheless, EIFs generally viewed EMU as an important step of further European integration, leading eventually also to a social union.

In relation to the intensity of European-level co-operation and the related independent actor capacity of EIFs, however, differences were identified. In line with the first hypothesis of this study, transnational sector unions such as the EMF had clearly developed European-level activities, in this case with a strong emphasis on the co-ordination of national collective bargaining. National sector unions such as the ETUC-E, by contrast, had hardly developed beyond the stage of an international secretariat with the task of organising meetings of its national member unions. Nevertheless, the production structure does not determine unions' strategies. EMCEF, organising workers in the highly transnationalised chemical sector, had developed its capacities much less than the EMF, while EPSU had become increasingly active as an independent actor at the European level. The latter could be mainly explained with reference to the second hypothesis and the increasing amount of decisions initiated by the EU in the area of public services. The EMF with the co-ordination of national collective bargaining and EPSU in the co-operation with other social movements both succeeded in developing strategies, which allowed them to overcome unions' disadvantages within the structural selectivity of the EU form of state. The EMF's focus on the preservation of wages and working conditions across the EU and EPSU's defence of public services demonstrate these unions' continuing resistance to neo-liberal restructuring. Importantly, the ETUC itself moved beyond an exclusive focus on social partnership and also started to support the co-ordination of national collective bargaining as well as to co-operate with other social movements.

Alternatives within EMU and beyond

The analysis of trade unions' positions on EMU has made clear that while there were some trade unions, which had accepted neo-liberal concepts or were more relaxed about them, the vast majority of unions, whether they supported EMU or not, continued to reject neo-liberal restructuring. Many domestic production sector unions, which rejected EMU, did so because of its neo-liberal underlying rationale. The support for EMU by transnational production sector unions did not, however, imply that they supported neo-liberal economics either. Rather, although to a different extent, in the vast majority of cases support for EMU was linked to demands of changing its neo-liberal implications. This understanding, that a single currency could be combined with a non neo-liberal, more employment-oriented policy, is also reflected in scholarly assessments (e.g. Strange, 2002b: 351-60). EMU and a single currency by themselves do not imply neo-liberal restructuring, but could be filled with a completely different contents. Rather than being a problem, 'the incorporation of the separate European economies within a large, relatively closed regional economy with a single currency could provide a degree of insulation from disturbances in the international economy' (Martin and Ross, 2004: 3). The problem with EMU, therefore, is not the single currency as such, but the related policy by the ECB with its exclusive focus on price stability as the only primary goal in an overall restrictive macroeconomic policy-mix (Hein and Truger, 2005: 23-48). Martin outlines that the EU needs a sustained growth spurt to bring unemployment down to pre-recession levels. The ECB, however, 'denies that demand management, particularly monetary policy, has any direct responsibility for growth and employment' (Martin, 2004: 25). Hence, when there was the opportunity for such a sustained growth spurt in early 2000, the ECB quickly raised the interest rate to 4.75 per cent. It was not prepared to accept temporary slightly higher levels of inflation, necessary according to Martin in order to bring unemployment down. Instead, the ECB identified apparently rigid labour markets as the core reason for

high unemployment and, as a result, implicitly demanded that national forms of state were restructured to become more in line with the Anglo-American model of capitalism. This is not the only way, however, to explain the persistent high unemployment levels in the EU:

An alternative view offers evidence that the primary reason why unemployment has been higher in Europe than in the US since the early 1980s, and higher in some European countries than others, is not that labor markets are more rigid but that macroeconomic policy, especially monetary policy, has been more restrictive, resulting in lower growth in output and employment and hence higher unemployment (Martin, 2004: 27).

Again, the problem is not EMU as such, but the way it is interpreted by the ECB as well as the policy-makers, which set it up in the first place. In short, what is needed is a macroeconomic policy-mix, in which price stability, economic growth and employment are equally important goals, instead of the current situation, where price stability overrides all other objectives. In the next section, I will concentrate on what such a policy-mix could look like, in which monetary policy, fiscal policy and wage formation all play an important role.

A growth and employment oriented macroeconomic policy-mix

Clearly, nobody wants to return to the 1970s and early 1980s, when inflation reached double digit figures in several European countries. In my view, price stability has to remain one objective of the macroeconomic policy-mix. Beyond low inflation levels, however, monetary policy also needs to be demand oriented. In times of economic downturns, similar to the US Federal Reserve Bank the ECB should cut interest rates much more drastically in order to stimulate higher investment levels into new production facilities.

This was called for by many unions across the case studies. Additionally, the need for economic growth and related higher employment levels may on occasions make it imperative to accept slightly higher inflation rates, especially during periods of a sustained growth spurt after economic recessions. As Martin outlines, this will lead to lower unemployment levels without causing permanently higher inflation rates (Martin, 2004: 33). Here, the demand made by several British unions to use a symmetrical inflation target is relevant (see also Hein and Truger, 2005: 53). The ECB should react not only when inflation overshoots but also undershoots its target, since the latter implies the danger of demand contraction and, therefore, lower growth and higher unemployment levels.

Monetary policy alone, however, cannot end a recession. Fiscal policies and wage formation play an equally important role in a closely co-ordinated macroeconomic policy-mix (Hein and Truger, 2005: 48-9). As for fiscal policies, the SGP needs to be reformed so that it makes national as well as joint European level public investment in infrastructure projects as well as human capital possible. A distinction needs to be made between borrowing for investment in social and economic infrastructure and borrowing for funding short-term spending, where the former is not part of a deficit calculation. The fact that countries such as France and Germany preferred not to meet the requirements of the SGP over facing the intensified class struggle with labour, which would have resulted from a strict implementation of the Pact (Bonefeld, 2004), indicates that reform of the Pact is a possibility as long as labour is prepared to mobilise for it. Of course, price stability must not be overlooked by fiscal policy. EU member states cannot spend their way out of recession, since the resulting high inflation rates would crowd out whatever initial gains such a free spending strategy would make. Nonetheless, my argument is that slightly higher temporary inflation rates in times of expansion after recession should be acceptable, if it implies higher growth levels. Again, public employment programmes at domestic and

European level and a re-definition of the inflation target were frequent demands by trade unions.

Finally, there is the importance of wage formation. In the EU during the 1990s, one of the core characteristics was wage moderation, where wages did not increase as much as inflation plus productivity gains. Trade unions had partly participated in these policies in national social pacts. As a result, they were often put in situations of competitive deregulation with workers in other countries, without, however, gaining concrete concessions such as, for example, investment-driven employment growth in exchange (Dølvik, 2004: 283-4). In Chapter 1, this was described as a shift from social to competitive corporatism. As a result, as indicated by several unions, overall demand levels could not be maintained due to the high unemployment levels as well as wage increases, which did not keep up with productivity gains. In a new macroeconomic policy-mix, while wage increases need to be controlled, they also need to imply the full potential of inflation plus productivity increase in order to give workers their fair share as well as ensure domestic demand levels, necessary for sustained economic growth and employment generation (Mermet, 2001: 60). ‘Wage dumping between member states is ... as much to be avoided as inflationary settlements which call for restrictive intervention from the central bank (Hein and Truger, 2005: 51-2). This is again a demand, which many trade unions put forward and informs, most prominently, the EMF’s co-ordination approach.

Such a change from neo-liberal economics towards a new macroeconomic policy-mix is neither automatic, nor can it be expected that suddenly enlightened governments and employers accept it. Politics is class struggle and trade unions are at the forefront of this struggle for a negotiated model of capitalism in the EU. Trade unions need to ensure that in exchange for keeping wage increases within the formula inflation plus productivity gains they receive concessions by governments, employers and the ECB in the areas of monetary and fiscal policies as indicated above. The further development of intra-union collective

bargaining co-ordination at the European level is a first positive step into this direction, because it does not rely on the co-operation by employers and governments. It could potentially lead to a more general 'internal social dialogue', 'in which the trade unions would develop their autonomous cooperation amongst each other and search for shared alternative political projects for which they can jointly mobilize support in the European working class' (Hein et al, 2005: 16). This co-ordination should be supported by increasing co-operation in industrial conflicts across borders. Workers' influence within corporatist structures depends on their capacity to take common industrial actions. This requires the right to European-wide strikes, demanded by a whole range of unions in the five case studies. It also, however, puts pressure on unions themselves to put in place the necessary institutional structures, which make these joint actions organisationally possible in the first place. In a second step, demands should include that the macroeconomic dialogue is reformed into a proper corporatist institution, able to offer specific monetary policies and a more general focus on growth and employment as equally important goals as price stability in exchange for wage moderation (Hein and Truger, 2005: 60; see also Watt, 2005: 251-7). Moreover, the multi-sector social dialogue needs to be restructured so that it allows the discussion of much more fundamental macroeconomic issues related to the overall policy-mix. In short, sustained pressure by trade unions should focus on the establishment of tripartite institutions at the European level along the traditional lines of social corporatism. This also implies the removal of ECB independence. In order to reduce the high unemployment levels across Europe, this is not only a possible, but also a necessary strategy forward.

As outlined above, this strategy is feasible, because it combines the core demands of unions across the EU. Nevertheless, while it would improve the overall situation from a labour perspective in that it rolled back neo-liberalism, this strategy does not question capitalism in general and the private ownership of the means of production in particular.

Hence, while it constitutes a viable strategy in the short-term, able to achieve concrete improvements for people across the EU, my argument is that it should be regarded not as an endpoint, but as the first stage of a more radical, medium- to long-term strategy in what Gramsci labelled a ‘war of position’, in which the foundations for a more fundamental change are slowly built from within a well established civil society (Gramsci, 1971: 238). In other words, the struggle for a new macroeconomic policy-mix can provide the platform for mobilising workers more widely in support for more far-reaching developments. A further step in this transformation strategy, in my view, is a renewed push for economic democracy.

Economic democracy as a challenge to capitalism

Economic democracy signifies system change in that it challenges capital’s prerogative over the ownership of the means of production as well investment and company employment decisions. By attacking the private ownership of the means of production, economic democracy tackles the source of exploitation and inequality. In the 1970s, the Swedish labour movement had gone furthest in its demand for economic democracy. Employers understood this clearly in Sweden. As shown in Chapter 4, it was especially the moment of the wage-earner investment funds initiative that Swedish capital mobilised for a neo-liberal, market-oriented policy, thereby breaking the national class compromise with labour. In the tumultuous 1980s and 1990s, characterised by neo-liberal offensives across the world, trade unions were on the defensive desperately trying to preserve as many rights as possible. Debates about economic democracy went quiet. In my view, now is a good moment to revive these discussions. Neo-liberal economics has led to a situation, where share-holder values have increasingly become the most important economic goal. The analysis of the various forms of state projects in Chapter 4 indicated that even in those countries, where traditional tripartite institutions had been retained to some extent such as

Austria, Germany and Sweden, there was a shift towards neo-liberal restructuring. Capitalism in the current phase is increasingly characterised by institutional ownership of the means of production, where pension funds, insurance companies and investment funds control large parts of production through the stock market. Lindberg raises two crucial questions in this respect. ‘The first is how do we want the money that belongs to [workers], but which is deposited in banks, insurance companies and pension funds to be used’ (Lindberg, 2005: 12)? He demands that a strategy is developed, which ensures that workers are represented in the leadership of these funds. This could be a first step towards a more general, full democratic control of FDI and private domestic investment as demanded by Panitch (2001: 381). Second, Lindberg asks ‘who is best suited to decide the organisation of labour and production – the shareholders or the employees’ (Lindberg, 2005: 12)? In the increasingly knowledge driven production processes, employees are frequently in a better position to decide flexibly how production is organised best. Technological development may have led to a situation, in which the current ownership and power structures have become obsolete. In sum, economic democracy requires a two-pronged strategy. First, the demand needs to be made that the big pension and investment funds come under popular control ensuring a collective ownership of the means of production from above. Second, from below, the demand that employees decide themselves over how the production process is organised and investment is allocated at the plant level has to be made.

Of course, whether a strategy of economic democracy could be successful, is again a matter of class struggle and, thus, open-ended. Above, it was already outlined that intensified intra-union co-operation across Europe is one way of constructing a counter – neo-liberal offensive. For more drastic changes beyond the capitalist social relations of production, however, a broader alliance of social forces is required. In many respects, this links to the possibilities of more intensive co-operation between trade unions and social movements in the resistance to neo-liberal restructuring. This study demonstrated that

several unions had already expanded the social basis for their counter – neo-liberal struggle through co-operation with other social movements. At the European level, it was especially EPSU, which pursued this strategy, but national unions too such as the French G10-Solidaires, SUD and FSU had started to focus on wider struggles and forged alliances with groups, which represented conflicts beyond the workplace. The final section will look more closely at the possibilities of this co-operation and concentrate on recent developments around the European Social Forum.

The co-operation with new social movements within the European Social Forum

The current wave of world-wide protests against capitalism is frequently associated with the emergence of a transnational civil society, re-establishing control over global market forces, freed from national shackles. Optimistic assessments treat the emergence of global civil society as transcending nation-state structures and providing the basis, by default, of opposition to neo-liberal globalisation through the establishment of some form of cosmopolitan social democracy (Held et al., 1999: 449-52; Held and McGrew, 2002: 135-6; Scholte, 2000a: 285, 291). As critics have pointed out, however, transnational civil society is to a large extent shaped by states (Chandler, 2003: 336) and transnational civil society actors potentially strengthen national borders instead of overcoming them (Colás, 2002: 172). Similarly, instead of resisting global neo-liberal restructuring, some transnational actors may actually further it. Business associations as representatives of transnational capital are frequently regarded as being the driving force behind neo-liberal globalisation (Gill, 1995). In short, there is no automatic link between transnational civil society on the one hand, and the erosion of national borders and increasing political control of market forces at the global level on the other. Moreover, these generally reformist suggestions vis-à-vis global capitalism overlook the fact that the source of inequality and exploitation is not to be found in the lack of political authority and control, but in the way

capitalist social relations are organised. They fall ‘into the trap of fetishizing the political expressions of global capitalism by assuming that the political forms of rule it throws up can be transformed in isolation from the social relations that underpin this system’ (Colás, 2002: 160). By contrast, in line with the neo-Gramscian approach employed in this study, political developments related to this wave of world-wide protests are analysed as a result of class struggle around exploitation. As outlined in Chapter 2, the focus on exploitation implies that class struggle is not reduced to confrontations at the workplace. As a consequence of the extension of exploitation within the sphere of social reproduction by neo-liberal globalisation, the struggle by progressive environmental and social movements also needs to be understood as an instance of class struggle (van der Pijl, 1998: 46-8). It is in this sense that the potential co-operation between trade unions, as representatives of the various working class fractions, and social movements, organising those progressive forces which resist the neo-liberal restructuring of the sphere of social reproduction, is analysed within the historical specificity of the capitalist social relations of production.

From 6 to 10 November 2002, European anti – neo-liberal globalisation movements including trade unions and other social movements, gathered in Florence, Italy for the first European Social Forum (ESF). During 400 meetings ranging from small group workshops to large plenary discussions, around 32,000 to 40,000 delegates from all over Europe, plus 80 further countries, debated issues related to the three main themes of the Forum: ‘Globalization and [neo-] liberalism’, ‘War and Peace’, as well as ‘Rights-Citizenship-Democracy’ (Bieler and Morton, 2004b). The extent to which this led to co-operation between social movements and trade unions should not be exaggerated, because first only a selection of trade unions was present. While high level representatives attended from Southern European unions including the French CGT and several EIFs such as the ETF, big Northern European unions were absent. Missing were, for example, the German unions IG Metall and Ver.di, as were all the British unions except for the RMT. Swedish

unions were almost completely absent, while Austrian unions, although strong on the ground as far as rank-and-file participation in the Forum was concerned, had not sent high level representatives either. The small, more radical unions, on the other hand, such as the French SUD unions, its confederation G10-Solidaires, the FSU as well as the Italian *Comitati di Base* (COBAS) were actively involved in the proceedings. As it was discussed in Chapters 5 and 6, G10-Solidaires and SUD unions had already had a history of co-operation with other social movements in their attempt to build a progressive national and international anti – neo-liberal movement.

Unsurprisingly, there were clear tensions between established unions on the one hand, and these new, more radical unions on the other. While established trade unions continued to focus on ‘social partnership’ with employers and state representatives in order to assert the demands of their members, radical trade unions emphasised the importance of bottom-up organisation with a focus on strikes, demonstrations and co-operation with other social movements to broaden the social basis of resistance. Hence, the latter frequently accused the former of having let themselves being co-opted into neo-liberal restructuring due to their involvement within the EU institutions. Social movements too are a rather mixed group of organisations ranging from groups such as the *Association pour la Taxation des Transactions Financiers pour l’Aide aux Citoyens* (ATTAC), which generally concentrated on influencing politics through research and lobbying, extra-parliamentary action groups such as the Italian *disobediente*, single-issue movements such as *Habitat International Coalition* and its commitment to secure housing for everybody, to *Euromarches* organising the unemployed across Europe. It was partly also this diversity of groups, which made trade unions wary of closer co-operation, questioning the representativeness and internal accountability of these movements. In turn, the latter were rather sceptical of trade unions’ hierarchical internal organisation and queried their willingness of confronting neo-liberal restructuring.

These differences, however, should not make us overlook the commonalities and resulting possible joint activities. Despite different structures and strategies, all movements present at the ESF identified neo-liberal globalisation as the main target for resistance. This included the economic as well as militaristic dimension, as embodied in the war on Iraq, of globalisation. And despite all the differences between unions and social movements as far as their internal structure, history and strategies are concerned, it was this common rejection of neo-liberal globalisation, which prepared the ground for a range of common projects and activities. First, it was at the ESF that anti-war organisations agreed to hold European – and in the event world-wide – demonstrations against the impending war on Iraq on 15 February 2003. Second, neo-liberal restructuring of the public sector within the EU – pushed by the European Commission and the Lisbon European Council summit conclusions in 2000 – and the GATS negotiations at the global level, was perceived as the main threats to peoples’ livelihoods and the focal point for joint struggles. The consensus was that public services must not become a new realm for capital accumulation. As a result of the interaction at the ESF, demonstrations in Brussels were organised by Belgian unions and ATTAC, on 9 February 2003, to keep public services out of GATS followed by a day of national action, on 13 March 2003, linked to the same theme. Similar co-operation efforts were initiated and/or deepened in relation to the demand for a European minimum income, the combat of tax evasion, as well as the co-ordinated demands for the introduction of a Tobin Tax on currency speculations (Bieler and Morton, 2004b: 316-19).

Hopes of an intensification of co-operation between unions and social movements were dented by the second ESF in Paris in November 2003. In contrast to the ESF in Florence, the ETUC organised its own forum prior to the ESF on 11 and 12 November 2003. No high-ranking ETUC official participated on panels of the ESF itself. In other words, rather than participating in an open-ended process of discussion facing potentially critical questions, a format of debate was chosen, which could be controlled by the trade

union hierarchy. The concluding demonstration on 15 November 2003 further reflected the low profile of trade unions. In contrast to Florence, where the Italian *Confederazione Generale Italiana del Lavoro* (CGIL) had mobilised the masses, French unions, although present, had not turned out in the same number. An impression was created that established trade unions intended to put a break on developments, which they found increasingly unable to control. The Paris ESF as a whole was described by one commentator as a cultural happening, which had lost its political edge (Tormey, 2004). On the positive side, neo-liberal globalisation and here especially the threatened restructuring of the public sector remained the common ground of all groups present. Additionally, increased participation by groups from Central and Eastern Europe gave reason for hope in relation to an expansion of resistance within the EU.

The third ESF in London in October 2004 became crucial as a sign of what future direction the ESF would take. Although smaller than the previous two ESFs, London was reassuring as far as the co-operation between social movements and trade unions was concerned. Instead of organising their own event, the ETUC was again present at the main Forum. Other unions represented by leading officials were the German IG Metall and Ver.di, the Austrian GdE, and especially British unions came out in force for the first time including UNISON, the GMB, the T&G as well as the CWU. The defence of the public sector against privatisation and the introduction of market principles was at the forefront of the debate more than ever. In short, London proved to be a positive step forward (Bieler and Morton, 2006).

As for the overall impact of the ESF, a lot depends on the extent of joint initiatives, which are carried out as a result of the gathering. The Forum provides a meeting place for different groups, it provides the space to establish common positions and identify other groups with similar strategies for joint activities. The activities themselves have to be implemented after the ESF. A positive sign is the dissemination of the idea to hold social

forums itself. The ESF was inspired by the World Social Forums, held for the first time in Porto Alegre/Brazil in 2001. In turn, the ESF has inspired social forums at the national and sub-national level. For example, in May 2004 German social movements and trade unions, including the IG Metall, Ver.di and the IG BAU organised a conference with the task to identify alternatives to neo-liberalism (Eironline, 10 June 2004, <http://www.eiro.eurofound.ie/2004/06/inbrief/de0406202n.html>; 04/11/2004). It was at this conference that an agreement was reached on organising the first German Social Forum in Erfurt from 21 to 24 July 2005 (<http://sozialforum2005.de/>; 01/08/2005). In short, the importance of the ESF is not only the event itself, but also the various processes, which are initiated as a result.

Interestingly, criticism of the draft EU Constitution,³ already voiced at the second ESF in Paris, came more prominently to the fore in London as a line of possible criticism of neo-liberal restructuring. At the same time, this issue also demonstrated the continuing tensions within the labour movement. At its annual spring meeting in Brussels on 22 and 23 March 2005, the European Council decided to send back the highly controversial EU Directive on the provision of services in the Internal Market for further revisions (Eironline, 30 April 2005; <http://www.eiro.eurofound.ie/2005/04/feature/eu0504201f.html>; 31/07/2005). This was hailed by the ETUC as a major success of its campaign against the restructuring of the public sector. In turn, the ETUC then strongly argued in favour of a 'yes' in the various national referenda on the Constitution, as this 'is the most pro-Social Europe treaty that Europe has ever had' (ETUC, 2005). By contrast, some members of the no-camp in France criticised the Treaty for not including fundamental rights, the implicit threat of the liberalisation of public services, its defence component and the continuing democratic deficit (Le Monde diplomatique, May 2005: 5). Especially Part III of the Constitutional Treaty was singled out as enshrining the predominance of neo-liberal economics within the EU (Cassen, 2005: 30-1). Unsurprisingly, the no-camp in the French

referendum campaign included radical trade unions such as the G10-Solidaires, which argued that ‘this “constitution” sets in stone an anti-democratic institutional mechanism, the primacy of competition law, the weakening of public services. The principles of an economic liberalism without limits is the backbone of the text and makes free and unhindered competition the supreme value of the European Union’ (G10-Solidaires, 2005). Similarly, FO openly defied the ETUC and rejected the Constitution as yet another example of how economic interests would be the predominant driving force behind European integration (FO, 2005). The important role by ATTAC-France in the no-camp (Cassen, 2005), itself consisting of several unions such as SUD-PTT and FSU (Interview No.64; Paris, 16/12/2002; and Interview No.68; Paris, 18/12/2002) plus other social movements, illustrated the possible union – social movement co-operation over this issue. Nevertheless, these contradictory positions with the ETUC indicate that rather than providing common ground for joint resistance, the Constitutional Treaty split trade unions and social movements.⁴

Equally disturbing was the rift between Western and Eastern European labour over the 2004 EU enlargement. It was the former, and here especially the German DGB and the Austrian ÖGB, which pushed successfully for a transition period of up to seven years in relation to the free movement of labour in fear of the consequences of the large income gap between East and West on Western European labour markets. As Bohle and Husz make clear, this political victory, based on a lack of transnational solidarity, may turn out to have disastrous consequences for labour in general in that it may result in regime competition between the Eastern and Western labour movements. ‘Thus, paradoxically, the political victory of Western labour in the accession negotiations is likely to contribute to the weakening of the position of labour and a further strengthening of the position of capital within the enlarged EU’ (Bohle and Husz, 2003: 32). Trade unions are not automatically

part of a resistance movement and especially the closer integration between Western and Eastern Europe proves to be a challenge.

Tensions between Southern and Northern labour movements could make it equally difficult to forge a successful counter-hegemonic alliance. Similarly to Eastern Europe's subordinated position to Western Europe in transnational production structures, inequalities between North and South in transnational production structures may imply conflicting interests between the labour movements of the two hemispheres. Combined, but uneven development and even the development of underdevelopment in the South (Frank, 1969) implied that gains by Northern trade unions in the post-war decades were often paid for with intensified exploitation of workers in the South. It is an important challenge for trade unions in the North that successful transformation in Europe is not counterproductive for Southern labour movements' struggles against capitalist exploitation. In a way, it is Northern labour movements, which can learn a lot from their Southern counterparts about the successful formation of global social movement unionism, where 'unions move beyond their traditional workplace boundaries to form alliances with other civil society movements within the nation state, whilst at the same time creating a new global union form' (Lambert and Webster, 2001: 46; see also Lambert, 2002).

The open-ended struggle for a Social Europe

As exploitation is rooted within the capitalist social relations of production organised around the private ownership of the means of production and wage labour, trade unions, which are by default at the core of exploitation within production, are of primary importance for successful resistance. As Panitch makes clear, 'unless a very substantial part of the labour movement becomes involved, no fundamental socio-economic change is realizable' (Panitch, 2001: 368). The continuing rejection of neo-liberal restructuring by trade unions as expressed in their positions on EMU does indicate that trade unions are

potentially willing to play a significant role in the wider opposition movement against neo-liberal globalisation. Potentially successful avenues for organising include especially intra trade union co-ordination at the European level as well as an emphasis on wider co-operation with other social movements critical of neo-liberal globalisation. Importantly, the latter also requires union internal restructuring to become more inclusive ethnic and gender wise organisations, in which all members have the opportunity to participate much more directly in decision-making. ‘The challenge is to discover ... how to build fully inclusive labour movements which are democratically structured in such ways as to encourage the development of the capacities of all members of the working class in as many facets of their lives as possible’ (Panitch, 2001: 370). A successful form of new organisation could be what some have called ‘a transnational “social movement unionism” that links diverse groups and networks in opposition to neo-liberal globalization’ (Taylor and Mathers 2002b: 94). This internal restructuring is clearly one of unions’ biggest challenges. If they fail to achieve this, strategies of resistance beyond the short-term objective of a new macroeconomic policy-mix will be impossible.

Once transformed into more inclusive organisations, it will be crucial that trade unions work together with social movements in order to stem the shift towards an Anglo-American, neo-liberal economic model in the EU and beyond. Strategically, the labour movement together with new social movements needs to work on a new vision for society. A focus on a macroeconomic policy-mix with an emphasis on growth and employment is initially important. In the longer run, economic democracy, challenging capitalism directly, may be the next step forward. Combined with demands for a wider democratisation of society, as expressed in the third theme of the ESF in Florence, such a strategy has got the potential to transform capitalism more fundamentally. In order to have a chance of success, the various activities need to take place at multiple levels including the company, local, national, European and international level. It may involve a combination of tactics,

recognising that co-operation in corporatist institutions may be as necessary as more radical forms of opposition. While the former is often the only way of making gains in the short term, necessary to maintain support, the latter is essential in view of more drastic change in the medium to long term. The experience of SUD unions, which despite their radical, confrontational orientation have been pushed to strike deals with employers, when the latter's proposals converged with workers' interests (Damesin and Denis, 2005: 25-7), demonstrates that the two strategies are not mutually exclusive (Schulten, 2004: 324). The tensions within the labour movement over the Constitutional Treaty, Eastward EU enlargement and the potential North-South divide, indicated above, show that success is not automatic. Nevertheless, the ESF, to take place in Athens in 2006 next, possibly provides the framework to overcome these tensions through the hopefully increasing participation of Eastern European social forces as well as its focus on global justice. The increasingly militaristic form of neo-liberal domination expressed in the 'global war on terror', relying more and more on coercion instead of consent, indicates in my opinion that this is a potentially historical moment, in which resistance to neo-liberal restructuring has chances of success. Trade unions are in a good position to play a crucial role in these struggles.

¹ For example, in view of the 2005 general elections, unions and 'New' Labour concluded the so-called Warwick agreement in July 2004, when trade union leaders held talks with Labour government ministers at the Labour party's National Policy Forum at Warwick University/UK. The resulting agreement included gains such as the promise to end the two-tier workforce in the public sector, where outsourcing had led to less good conditions for new employees, the extension of statutory holidays to a minimum of four weeks in addition to eight days bank holiday, as well as issues such as the inclusion of pensions into the remit of pay negotiations in unionised workplaces (Eironline, 6 September 2004,

<http://www.eiro.eurofound.ie/2004/09/inbrief/uk0409102n.html>; 27/07/2005). Unions participating in the agreement praised it as an important step forward (e.g. Amicus, 2004; UNISON, 2004). Other unions were more sceptical and pointed out that ‘even if the agreement was implemented in full there could still be an opt-out on the 48 hours legal working week cap, the link between state pension and wages would remain unrestored, 1980s anti-union laws would still be on the statute books after 13 years in power, and there would be more PFI investment projects and further privatisation’ (UNIFI, 2004). More critical commentators even regarded the agreement as a strategy by New Labour to co-opt unions in exchange for little concrete concessions (Socialist Review, 2004).

² Unions are divided over the best way forward vis-à-vis the Labour Party. While the majority focuses on reclaiming the party, some unions such as the RMT have cut their links with Labour (Charlwood, 2004: 391-2).

³ The European Convention, established under the leadership of the former French President Valérie Giscard d’Estaing in February 2002, adopted a ‘Draft Treaty establishing a Constitution for Europe’ in July 2003. After sometimes conflictual discussions within the European Council, an agreement on the Constitutional Treaty was reached at its meeting on 18 – 19 June 2004. Nevertheless, the Treaty still had to be ratified by the 25 EU members, including via referenda in several countries. On 29 May, the French population rejected the Treaty. The Dutch followed three days later and rejected the Treaty by an even larger margin (Le Monde diplomatique, June 2005: 2).

⁴ Taylor and Mathers identify a similar division within the trade union movement in relation to the European Charter of Fundamental Rights, discussed by the Nice European Council Summit in December 2000 (Taylor and Mathers, 2004: 274-5).