
Europe's Crisis: Market Competition Instead of Social Bonds

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Overview

- What makes Europe European?
 - » European Social Model as *national* welfare states
- The EU and the European Social Model
 - » The EU undermines the ESM
- Who speaks for Europe?
 - » European elites destroying Europe...

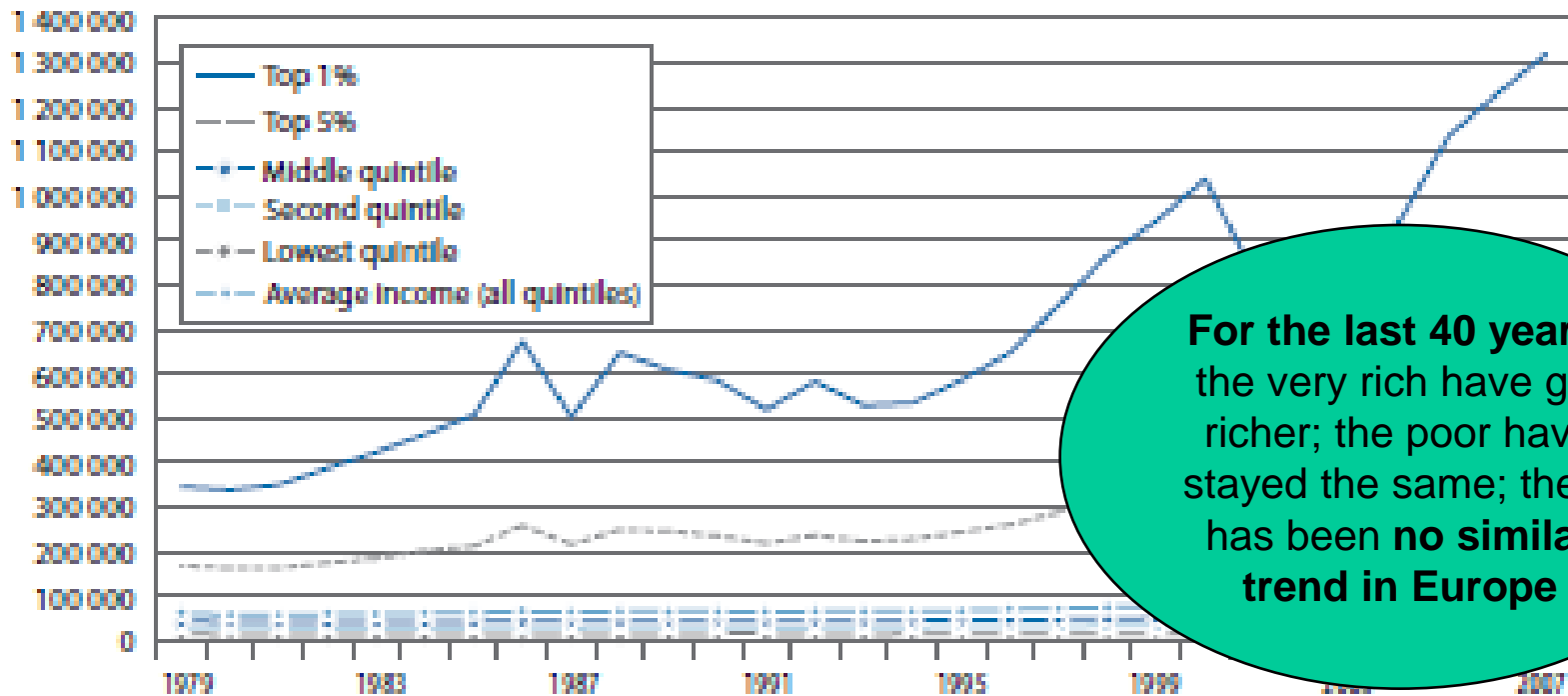
Four elements of the ESM

- (Relative) equality
- Social citizenship
- Economic citizenship
- Backbone state

Notice that these are largely to do with national states

Growing inequality in USA...

Chart 16: Average after tax income, by brackets in the US 1979-2007 (in 2007 dollars)



**For the last 40 years:
the very rich have got
richer; the poor have
stayed the same; there
has been **no similar
trend in Europe****

Source: Congressional Budget Office, <http://www.cbo.gov/publications/collections/collections.cfm?collect=13>

Social citizenship

- Education, health, housing, income support...
- Rights not charity
- Financial costs (taxation)
- Rights mean obligations
- Restrictions on diversity ('thick citizenship')
- Binding in the 'middle class'
- *Measurement: levels of welfare expenditure*

Economic Citizenship

- Labour market regulation
 - » Employment protection
 - » Working time
- Health and safety
- Rights to information
- Rights to representation
 - » Trade union membership
 - » Trade union coverage
 - » Workplace representation (Betriebsrat, European Works Council)
- Work-life balance
 - » Parental leave
 - » Right to flexible working
- *Measurements: Trade union density and coverage, Employment Protection Index (EPI)*

Backbone state

- The European *nation states* ensure:
 - » Social equality (redistribution through tax and welfare)
 - Social citizenship (guarantees rights and usually directly provides services)
 - » Regulates employment
- AND creates the public realm
 - » NOT market, NOT personal
 - » Importance of state service (Beamte, service public, civil servant)
- *Measurement: state employment, state expenditure*

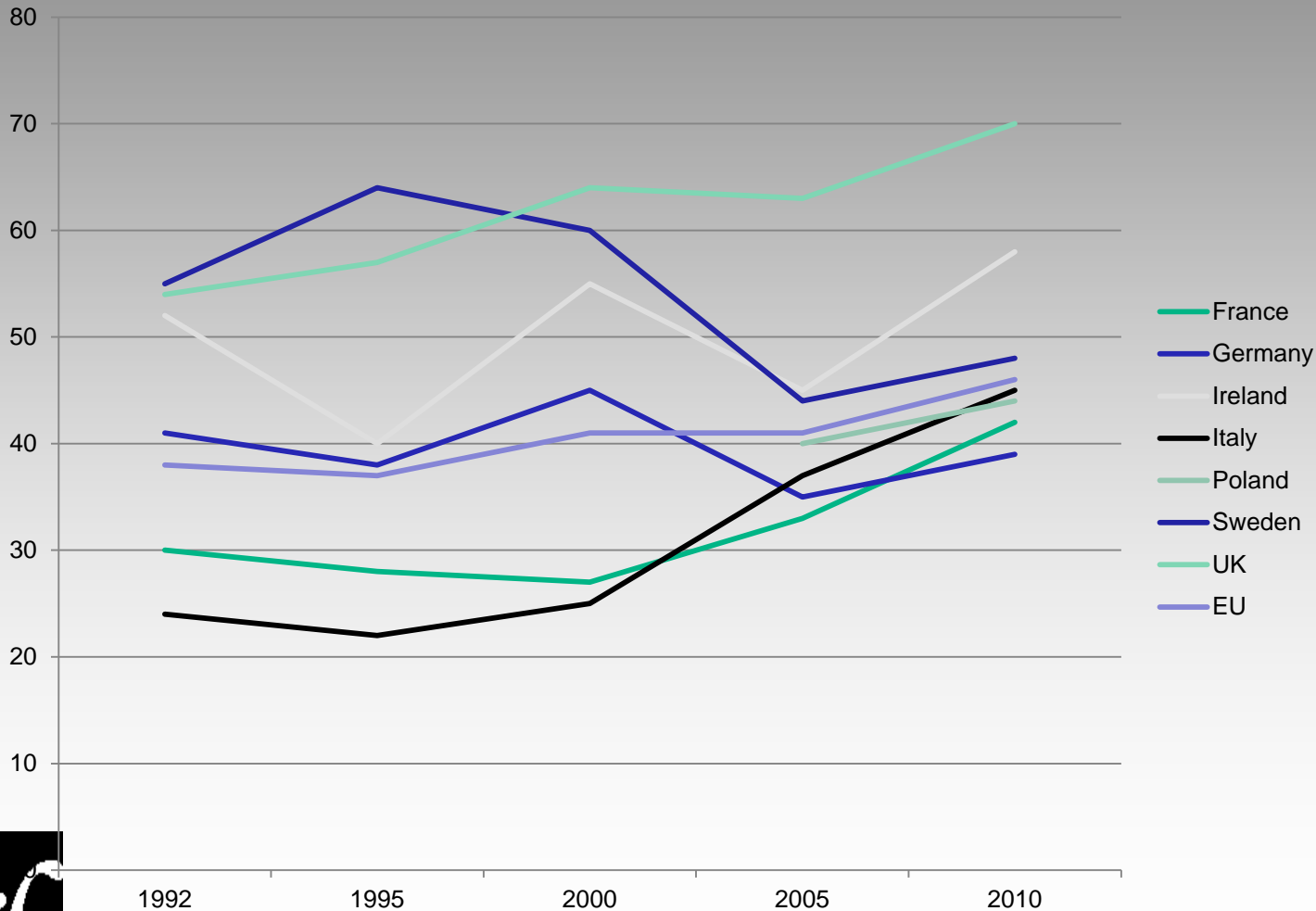
EU AND THE ESM

Two forms of EU integration

- **Positive** integration:
 - » Compensation for the market at Union level
Common basic social and economic rights across the Union
 - » Funding of social policies, urban and regional policies, research, training
 - » **But** limited: Most EU activity is regulatory not redistributive, EU budget tiny compared to member states
- **Negative** integration
 - » Removes **national** barriers to competition to create a single market
 - » The basis of the EU since the Treaty of Rome
 - » **But** now destroying public services and even national welfare states?
- **Together**
 - » EU undermines national welfare states without any compensation at EU level

WHO SPEAKS FOR EUROPE?

Nationality and/or European? Trends over time



Nationality
only by
country

In most
member
states
'nationalistic'
identity has
been
growing

Winners and losers

- Winners
 - Young, educated, affluent, elite
- Losers
 - Those protected by *national* welfare states (recipients of services, of benefits, in protected industries)

Final paradoxes

- EU policies are now undermining Europe's distinctiveness
- Those who once benefitted most from being 'European' are now the most anti-European