



**1973-2013**  
**40 years of history**  
**of the European Trade Union**  
**Confederation**

**—**  
**Christophe Degryse**  
**with Pierre Tilly**



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## Preface

*This book offers the reader the opportunity to relive the now 40-year-long history of the European Trade Union Confederation. As I close the cover, I am fully convinced that the European trade union movement remains on the right track; I am less certain, however, that the European Union has not been diverted from its original aims. The excesses of casino capitalism and the major crisis that this crazy capitalism has engendered appear to be derailing the European project. Has not the European Union lost its bearings in recent years?*

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In seeking to answer this question, we need to re-read the preamble to the 1957 Treaty of Rome establishing the European Economic Community. This important text contains a number of pointers that remind us of what were the initial intentions of the heads of state or government when they embarked on this brand new European venture. The preamble states that ‘the essential purpose’ of the states forming the new Community was that of ‘constantly improving the living and working conditions of their peoples’. This aim, as stated by the initial signatories, was to be pursued through the elimination of obstacles to trade ‘in order to guarantee a *steady expansion, a balanced trade and fair competition*’ and out of a concern on the part of the member states to ‘*approximate their economic policies and ensure their harmonious development*’ [our emphasis]. Every word is important in this original description of the plans to achieve European integration, a political project that finds its embodiment in the European Union of today. Viewed in these original terms, this is a Union that strives to improve the well-being of its peoples, within a framework of stability, unity and harmonious development. Such was the project that received support from the world of labour back in the mid-20<sup>th</sup> century and which the trade unions continue to support today.



Yet is this project truly the same one that is being carried forward today by the various European institutional actors? Has not an alternative project come to override all others, a project forged by the urge towards an ever mounting degree and consolidation of economic competitiveness? This new project sees deregulation, together with tax, wage and welfare competition, as the tools for building a Europe in which the promise is of ever greater profit margins for big business, unfettered economic freedom, and policy-making focussed predominantly on simplifying the regulatory 'burden' and reducing the 'costs' that prevent ever-rising profits. This new version of the European project, far from improving the living and working conditions of the European people and workforce is, in actual fact, oppressing large sections of the population. We hear, of course, the same old story: today's profits will become tomorrow's investments and will thus create the jobs of the future. The problem at the present time, however, is that although we do know where the profits are – generally in tax havens – we have yet to see the resulting investments and jobs. As this moment as I write, more than 26 million people in Europe are unemployed.

When countries begin to regard fundamental rights as a flexible component of the economy, aimed at creating higher profits for companies by means of, for example, a reduction in minimum wages, what is this but a complete reversal of the original European project? Such a reversal calls fundamentally into question the whole nature of the relationship between the world of labour and the Europe that is being created; and this problematic relationship is the very process that this book sets out to narrate: the history of the trade union movement as a constant struggle between two different, and sometimes incompatible, visions of what the European project should be.

Immersed in the day-to-day work of challenging institutions, formulating political demands, analysing the social consequences of European decisions, mobilising and attempting to convince, the European Trade Union Confederation has all too seldom had an opportunity to take a step back in order to contemplate its own past. An anniversary offers just such an opportunity. Telling the tale of the ETUC in accessible written form may be a way of helping people throughout Europe to see the situation more clearly and of enabling salaried workers and trade union members to realize that it is they themselves and not the markets who are the owners of the original European project, that it is they who can breathe new life into that project's still vital aims.

– *Bernadette Ségol*  
 General Secretary of the ETUC  
 Brussels, November 2013

*To all who have contributed, in whatever way,  
 to the life and activity of the European trade union movement.*



# Introduction

Anniversaries provide the opportunity to take stock and to analyse with the requisite hindsight whatever progress may have been made. The European Trade Union Confederation, founded in 1973, felt that its 40<sup>th</sup> anniversary represented an ideal opportunity to do just that. Over the years, the organisation has taken shape and grown gradually stronger. It has, in particular, increased considerably in size: originally set up by 17 union organisations from 15 countries, the ETUC affiliates now number no less than 85 national trade union confederations and 10 European federations, not to mention associated organisations and observer members.

This book recounts the history of the ETUC and assesses its action in relation to its original self-appointed aims. While several important works have, in the past, focussed upon a partial analysis of the ETUC's history, this is the first time that, on the basis of numerous unpublished documents, a fully-fledged historical approach has been attempted. For forty years the ETUC has been kept busy with union action, positioning, mobilisation, consultation, social dialogue, demands and challenges to be faced and to be met. The ETUC has known both success and failure. This richly illustrated book adopts a hybrid approach. Alongside a systematic factual history of developments, rooted in the archives, it also seeks to construct a more political narrative, including testimony from those most closely involved in its work, ETUC leaders old and new, advisers and experts, but also critical viewpoints formulated by academics, political figures or social activists. This book is therefore a history of the ETUC as viewed, employing a range of different approaches, from within its political, economic and social context. It is 'a' history because it is clearly not *the whole* history of the European trade union movement. The different chapters of this book examine, in other words, the organisation's various broad historical priorities, albeit not from every possible standpoint.

It is thus that a scientific approach is combined with a political one, the aim being to reveal a rationale for action, a sense of coherence, and to identify the guiding principle that has characterised the – sometimes fraught – history of the ETUC. This organisation's self-appointed mission has been, after all, to act as the driving force behind the European Union's social promise of better living and working conditions, so as to bring about, in the words of Jean Monnet, a 'levelling through progress', a promise that was enshrined in the founding Treaties.

The book's structure reflects this hybrid approach. Four chapters are devoted to analysing the organisation's history proper. How was a single European Trade Union Confederation able to emerge in the context of an international trade union movement that, from an ideological point of view, remained deeply divided? Chapter 1 thus endeavours to explain the difficulties involved in founding an organisation that was European – and thus regional rather than international – and that transcended the ideological rifts of the post-World-War-II period between confederations that took their inspiration from, respectively, socialism, economic democracy, Christianity or communism. This protracted exercise in bridge-building represented the catalyst for the formation of the ETUC in 1973 and for its ideological diversification as from 1974.

This then was the point at which the newly founded organisation embarked on the task of producing what might be called a Community social doctrine. This doctrine had to be immediately reflected in the demands made by the ETUC of the European institutions: economic revival, public investment, employment creation, high-quality jobs, public services and so on. Thus began 40 years of 'European trade union activism', as described in Chapter 2 which looks at the changing relationship between the ETUC and the European institutions and its changing demands, as viewed and evidenced particularly through the proceedings of its Congresses.

Chapter 3 provides the opportunity for a more in-depth look at how the ETUC works, at its mechanisms, actors, and internal dynamics. This chapter gives an inside view of an organisation that, over the years, has been compelled to strengthen its structure and its capacity for decision-making and action in order to keep up with the changing face of Europe itself. One such change stands head and shoulders above the others; this is the enlargement of the EU from a Europe of 6 to a Europe of 28. From a trade union point of view, there has been a simultaneous enlargement from an initial ETUC of 17 member confederations to one of 85. The immense challenge posed, in particular, by the trade union enlargement to incorporate the organisations of Central and Eastern Europe, the Baltic states and also the Balkans, is the subject of Chapter 8.

In addition to these chapters focusing specifically on a historical analysis of the ETUC, its structures and the dynamics that have characterised its development over the years, five other chapters describe the organisation's political positions in relation to a number of ongoing and developing issues of key relevance for the European social dimension. If the ETUC is a representative 'social partner', and recognised as such by the EU institutions, this is primarily due to its role in the European social dialogue. In this context, the ETUC, in its capacity as representative of European workers, negotiates on their behalf with the representatives of European employers (BusinessEurope for private sector employers; CEEP for employers from enterprises with public participation; UEAPME for craft, small and medium-sized enterprises in Europe). These negotiations have led to a series of joint undertakings and agreements that have helped, to a greater or lesser extent, to improve the daily lives of workers throughout Europe. This aspect of the European social dialogue is developed in Chapter 4.

In recounting 40 years of the European trade union movement, it was not possible to omit reference to the gradual development of a 'trade union programme' for EU governance.

The ETUC, set up at the time of the first oil crisis, was faced from the outset with growing unemployment, an economic crisis and challenges to certain aspects of the national social models. In this difficult economic context, the trade union movement began to develop its own concept of European economic governance. This model, which was to take shape and become increasingly refined over the years, would serve as the basis of what was later to become known as the ‘social dimension of the single market’, and currently, in the context of the financial, economic and sovereign debt crisis, the ‘social dimension of the new European economic governance’. It is this trade union agenda for governance that is described in Chapter 5. Its key elements are full employment, support for both public and private investment, the fight against tax, wage and welfare competition, the primacy of fundamental social rights, economic democracy, the consolidation of social security systems, and high-quality public services. Such a programme has undoubtedly never been more difficult to promote than at this crisis-ridden present moment.

While there has clearly never been an opportunity to achieve full implementation of such a programme in the EU, its formulation and existence has nonetheless served as a counterweight to the increasingly radical discourse and demands concerning ‘economic freedoms’ which tend nowadays to be invoked even when they fly manifestly in the face of fundamental rights. In actual fact, a large part of the history of European integration can be read as the constant search for a balance between economic freedoms and respect for fundamental rights. That such a balance remains precarious, perhaps even at tipping point, is shown in Chapter 6.

Chapter 7 looks at the development of one of the main features of the ‘European social model’, namely, the slow, difficult and gradual effort to construct a form of economic democracy. It was frequently the task of many years, even decades, to push through the requisite legislative proposals for establishing worker information and consultation bodies in large companies. The proposals in question were often prompted by waves of outrage across Europe following cases of company restructuring, relocation, or closure of sites in spite of their continuing economic viability. The Hoover, Michelin, Memorex and Renault-Vilvoorde cases were some of the most striking instances in this respect. The extremely harsh decisions taken by company managements in such cases contributed to a growing awareness of the need for some kind of industrial democracy. By establishing works councils, or other bodies to inform and consult workers on their companies’ broad strategic positions, European legislators have shown that labour is not, in their eyes, a mere take-it-or-leave-it commodity available in the context of a deregulated market. There is clearly still a long way to go on this path to greater economic democracy but at least the existing EU legislation has served to demonstrate one of the special features of the European social model as compared with practices in the rest of the world.

The ‘rest of the world’, in fact, is the subject of Chapter 9. Has the ETUC turned itself into a social fortress in the jungle of globalisation? Since this is a criticism sometimes levelled at it, it is useful, too, to consider the way in which the trade union movement has, throughout its history, developed relations with other trade union organisations, whether on a bi-regional or bilateral level. The ETUC’s strategy is modelled on the diplomatic and commercial strategy of the European Union: having tried to secure social clauses in the international trade agreements negotiated within the framework of the GATT and then the World Trade Organisation (WTO) – and following the recent failures of the multilateral negotiations in that body – the ETUC has subsequently endeavoured to ensure that the bilateral or bi-regional trade agreements being negotiated by the EU include a strong social dimension. The launch in 2013 of the negotiations on a US-EU transatlantic agreement provides an example of just how difficult it can be, in such cases, to convey the concerns of the world of labour.

Alongside its provision of a strictly factual history of the ETUC as a changing and developing organisation over forty years, this book thus examines numerous different aspects of the European trade union movement's *raison d'être* and activity; it covers its history, its structure, its internal debates, the emergence of its social doctrine, its strategies for action, its relations with employers and with the European institutions, its place in the wider context of globalisation, and so forth. This is a narrative that, inevitably, is sometimes complex, like any collective endeavour. It is, however, a history that should undoubtedly be recorded for posterity.





# Chapter 1

## The Beginnings.

### Bringing structure and unity to European trade unionism

As the Second World War drew to an end, the international trade union movement began to regroup. The World Federation of Trade Unions (WFTU) brought together the vast majority of existing trade union organisations, with the exception of the Christian trade unions, which were united within the International Confederation of Christian Trade Unions (CISC), and the US trade union the American Federation of Labor (AFL).<sup>1</sup> With political divisions exacerbated by the Cold War, in particular between supporters and opponents of the Marshall Plan, the non-communist Western trade unions decided to leave the WFTU and, in 1949, establish a new organisation, the International Confederation of Free Trade Unions (ICFTU), with a social-democrat leaning.<sup>2</sup> The international trade union movement was therefore split in three main directions:<sup>3</sup> the now largely communist camp, in the form of the World Federation of Trade Unions (WFTU), the social-democrat camp, represented by the International Confederation of Free Trade Unions (ICFTU) and the Christian camp, in the form of the International Confederation of Christian Trade Unions (CISC).

Europe's growing cooperation on a political and economic level, with the founding of the European Communities in the 1950s, on the one hand, and the creation of a European Free Trade Association (EFTA) in 1960, on the other, would gradually reveal the need for a trade union organisation specific to Europe. However, the ideological divisions between the international organisations and the differing geographical composition of the nascent political entities (the six countries of the EEC and the seven countries of the EFTA) did nothing to simplify matters. Moreover, the two main international organisations would initially found their own European regional organisations (the ERO-ICFTU and EO-CISC).

## Box 1

**Milestones in the organisation of international trade unionism prior to the founding of the European Communities**

**1864:** founding of the International Workingmen's Association (IWA). This 'First International' disbanded in 1872 following ideological clashes.

**From 1880:** founding of International Trade Secretariats (ITS).

**1889-1914:** founding of the social-democrat-leaning Second International, accompanied by the creation of the International Secretariat of National Trade Union Centres in 1903.

**1913:** founding of the International Federation of Trade Unions (IFTU).

**1919:** founding of the Third International, following on from the Russian Revolution in 1917. There was a strong ideological rivalry between the Third International (communists) and the IFTU (social democrats).

**1920:** founding of the International Confederation of Christian Trade Unions (CISC) (which would become the World Confederation of Labour (WCL) in 1968).

**1921:** founding in Moscow of the Red TU International.

**1945:** founding of the World Federation of Trade Unions (WFTU), which, with the easing of tensions between pacifists and anti-fascists, brought together communist and social-democrat trade unions, but excluded the Christian trade unions and the AFL.

**1949:** following disagreements, the non-communist Western trade unions left the WFTU and founded the International Confederation of Free Trade Unions (ICFTU).

**1950:** founding by the ICFTU of a European Regional Organisation (ERO-ICFTU).

**1958:** founding by the CISC of a European Organisation (EO-CISC).

See the graph 1, *infra*

In this first chapter, we will trace the origins of the European Trade Union Confederation (ETUC) and attempt to show how these initial divisions were gradually overcome. We will begin by examining the trade union organisations' first – generally positive – reactions to the Schuman Plan and to the first steps towards European integration. We will also discover subsequently, however, how trade unionism soon became critical of the weak social dimension of this undertaking. In the third part, we will look at the realisation among trade union leaders at the time of the need to unite, precisely in order to ensure the existence of an organisation capable of bringing a social impetus to this burgeoning Europe. Nevertheless, as the fourth part will demonstrate, the negotiations to achieve this unity would prove particularly difficult, requiring numerous political, ideological and geographical divides to be overcome. Finally, in the fifth part, we will examine the founding, in 1973, of the European Trade Union Confederation and its almost instant expansion to include the Christian trade unions and, later, trade unions not affiliated to an international organisation, in particular those with a communist leaning.

## 1.1. Towards a European trade unionism?

The history of the European Trade Union Confederation (ETUC) begins in 1973. However, the origins of this organisation can be traced back much earlier: to the rebuilding of Western Europe in the aftermath of the Second World War. If the birth of the ETUC appears to be a long and tortuous process, it is because of the particularly complex structure of international trade unionism at that time. In simplified terms, it was organised, on the one hand, on the basis of ideologically opposed, cross-industry associations (the Christian-leaning trade unions united within the CISC, the communist-leaning trade unions within the WFTU and the socialist and social-democrat trade unions within the ICFTU – see box); and on the other hand of powerful industry-specific federations, chiefly the International Miners' Federation (IMF, founded from 1890), the International Textile Workers' Federation (1894), the International Transport Workers' Federation (ITF, founded in 1896) and the International Metalworkers' Federation (IMF, founded in 1893), which included socialist and social-democrat trade unions within their ranks.<sup>4</sup>

With these two parallel configurations, one that cut across industries and was divided along ideological lines, and the other sector-specific, it was uncertain whether the internal coherence of the international trade union movement could be maintained.<sup>5</sup> To this must be added the great differences in trade union culture between northern and southern Europe, which did not make the path to unity any easier. Finally, as mentioned above, the geographical split within Western Europe (between the EEC and EFTA)<sup>6</sup> would present an additional difficulty. It was therefore against a highly complex and compartmentalised backdrop that a specifically European form of trade unionism would develop.

Before the idea of a European Community was even put forward, the first expression of a European trade union consciousness came with the creation of the International Authority for the Ruhr in the immediate aftermath of the Second World War. This Authority, the founding of which was agreed in 1948 by the United States, the United Kingdom, France, the Netherlands, Belgium and Luxembourg, was intended to control steel and coal production in Germany's most industrial region. In March 1949, representatives of Belgium, France, Luxembourg, the Netherlands and Germany set up an 'Inter-Trade-Union Standing Committee' in order to champion workers' views on the economic and social aspects of the administration of the Ruhr.

The following year, on 9 May 1950, the French Foreign Minister, Robert Schuman, inspired by his compatriot Jean Monnet's plans for Europe, made a sensational declaration to the press: he proposed the pooling of French and German coal and steel production within an open and genuinely supranational structure (a proposal that would lead to the founding of the European Coal and Steel Community, the ECSC, in 1952). The political aim was to transform the factors of division into factors of unity.

The ICFTU instantly welcomed this proposal by setting up its own 'Schuman Plan Committee'.<sup>7</sup> Meeting in Düsseldorf on 22 and 23 May 1950, it called for the rational restructuring of Western Europe's heavy industries and the representation of trade unions in the institutions created to that end. On 3 November of that same year, the ICFTU launched its European Regional Organisation (ERO-ICFTU) with its first European regional conference. The leaders of 20 national trade union organisations from 18 European countries and representatives of the Saar and Trieste participated in this founding moment, in which the two largest American trade unions, the AFL and CIO, which had yet to merge, were also involved.

As the first European institutions came into being, trade union entities of a specifically European nature were set up alongside these new institutions. According to



Raymond Rifflet, Director-General for Social Affairs at the European Commission in the 1960s, the trade unions were a driving force behind European integration. 'Before Robert Schuman had even proposed pooling steel and coal, the evidence of a link between rising living standards and the removal of global economic contradictions had prompted many leaders of both socialist and Christian trade unions personally to adopt a very clear stance in favour of European integration'.<sup>8</sup> This support was confirmed by Jean Monnet himself in his memoirs.<sup>9</sup>

The first major milestone was the creation of the Coalition of Miners' and Metalworkers' Unions of the six founding countries of the European Coal and Steel Community, itself founded in 1952. This coalition of unions referred to itself as the 'Committee of 21'. It operated through a contact office opened in Luxembourg, not far from the High Authority (which was, *mutatis mutandis*, the ECSC's equivalent of the 'European Commission'). It was able to count on a network of miners and metalworkers, but its influence was diminished by the absence of powerful communist trade unions, such as CGT-Métal in France, and of British trade unions, such as the National Union of Mineworkers.

The signing in 1957 of the Treaties of Rome establishing the European Economic Community (EEC) and the European Atomic Energy Community (Euratom) would lend new impetus to the European trade union organisations grouped within the ICFTU. The founding of the EEC and of a common market had two main objectives: the transformation of the economic conditions of trade and production on Community territory and progress towards the construction of a political Europe.



The first major European trade union demonstration. Believing that progress towards a social Europe is not being made quickly enough, on 4 July 1964 the 'Intersyndicale' of miners from the six ECSC Member States hold a rally at the Westfalenhallen in Dortmund, attended by more than 20 000 miners. With a slogan of 'Towards a social Europe', this event is notable for the adoption of a resolution on social harmonisation and on a European miners' statute.

Source: ETUC

At sectoral level, the birth of the EEC was accompanied by the founding of the European Transport Workers' Federation at the initiative of German railway workers, joined by their colleagues in Benelux, Italy and France. Its creation was clearly connected with the fact that the transport sector was one of the few areas in which the Treaty of Rome provided for a common policy. This new federation was initially known as the Transport Committee of the European Community and would function independently of the ITF (International Transport Workers' Federation).<sup>10</sup>

In January 1958, seven cross-industry trade union confederations belonging to the ICFTU<sup>11</sup> and based in the six founding Member States of the EEC met in Düsseldorf and established the European Trade Union Secretariat (ETUS) (which would become the European Confederation of Free Trade Unions – the ECFTU – in 1969; see the graph 1, *infra*). Counting 12 million members, the ETUS made it its mission to represent and defend the economic, social and cultural interests of workers before the Community institutions. Its Executive Committee was composed of representatives of the national confederations, a delegate from ERO-ICFTU and a representative of the Coalition of Miners' and Metalworkers' Unions. The trade union confederations were responsible for running a permanent secretariat appointed by the Executive Committee, the purpose of which was to represent free trade unionism in dealings with the European Community.<sup>12</sup>

At the same time, the ICFTU-affiliated organisations based in the countries belonging to the European Free Trade Association (EFTA) set up a joint trade union committee, the EFTA-TUC.<sup>13</sup> In order to overcome the divisions between the EEC and EFTA, the two newly created European trade union organisations – the ETUS and EFTA-TUC – decided to maintain regular contact within the ERO-ICFTU.

Nevertheless, this structure could not disguise the substantial differences between the British and northern European trade unions, on the one hand, and the trade unions of the six Community Member States, on the other. While the Trades Union Congress (TUC, United Kingdom) had declared its support for European integration since the adoption of the Schuman Plan, it made very clear its differing view as to the form this process should take. The TUC was in favour of intergovernmental cooperation, which was also the preference of the Nordic trade unions, while the trade unions of the EEC Member States advocated the creation of supranational European structures.<sup>14</sup> These divergent visions and the variation in trade union traditions and practices weakened the role of the ERO-ICFTU during these first steps towards European integration.<sup>15</sup> They would make it more difficult to adopt common positions addressed to the nascent Community institutions.

## 1.2. From participation to the first trade union criticism

Although, with the arrival of the 1950s, trade unions (with the exception of those within the WFTU) had been hopeful that the attempts at European integration would allow workers to have their say in the functioning of key industries, their disillusion was palpable from the outset.

When the ECSC was founded, the style of participation and the relationship between the institutions and the social partners reflected the close ties that frequently existed at national level. In spite of some soon-abandoned attempts at European-level negotiations, such as those aimed at concluding a collective European agreement on working time in the metal industry in 1955, social actors continued to pursue essentially national strategies. As Georges Debunne (FGTB, Belgium) would repeatedly point out, 'without adequate European instruments, the only option is to campaign at national level',<sup>16</sup> which

would no doubt explain why the trade union organisations remained focused on their national battlegrounds.

Between the Schuman Plan (1950) and the Treaties of Rome (1957), the disillusion surrounding European integration would grow within the ICFTU.<sup>17</sup> It was symbolic of the trade unions' declining influence since the beginnings of the ECSC that, within the first European Commission, which took up its duties in 1958, no seat was allocated to a representative of the trade union movement (contrary to the arrangements within the High Authority). In 1959, the ICFTU assessed the workings of the European institutions and came to the following conclusions: 'The Commission currently makes too little use of its right of initiative and proposal. Accordingly, it only seldom presents original proposals to the Council of Ministers, engaging, instead, in long and laborious pre-negotiations with representatives of the six national administrations. Community life is conducted principally by officials, without sufficient contact with the political leaders of the Community and the economic and social organisations of the Six'.<sup>18</sup> The ICFTU proposed solutions, which would be reiterated on many occasions: 'The European Parliament should be elected by universal suffrage and the executive powers of the three Communities (Authors' note: the ECSC, EEC and Euratom) should be extended. There needs to be a single seat and more direct consultation with the trade unions'.<sup>19</sup>

The disappointment was no less great within the ranks of the International Confederation of Christian Trade Unions (CISC).<sup>20</sup> Contrary to the federalist version of events,<sup>21</sup> the European project did not find acceptance among the trade unions without conflicts between national, European and sectoral interests or without difficulties with regard to the grass roots and activists.

From the outset, the trade unions questioned the very nature of the economic undertaking of the Communities and the absence of any social dimension. Even if, in the midst of the Cold War and in the face of communist opposition, it fell to them, in the interests of unity with their sister parties, to present the existence of the European institutions as a success for the free world. Social-christian and social-democrat leaders worked at preventing the emergence of conflicts on European matters, while insisting that this Community should not become a place of competition between workers. It is against this backdrop that the sometimes electrifying speeches about a 'social Europe', heard up until the 1960s, can be understood, after which criticism, disillusion and the temptation to withdraw into national affairs would come to replace the initial participation in the Community endeavour.

The idea of a broad and enthusiastic consensus among the political, economic, social and, hence also, trade union elites at the outset of European integration must therefore be tempered. Recent works,<sup>22</sup> moreover, emphasise the disengagement from, and loss of interest in, European affairs displayed by certain national trade union leaders from the 1960s. During this first decade, the trade union movement failed to strengthen its representation within the Community institutions. Its role remained weak, fragile and essentially advisory in nature. That does not mean that its efforts were in vain from start to finish; they can be likened instead to the first steps towards social consultation and dialogue at Community level. Indeed, the trade union organisations were consulted on the policies implemented by the Community institutions (coal, steel, agriculture, transport, etc.). Tripartite cross-industry committees were set up, along with sectoral joint committees. Furthermore, the origins of European social dialogue can be traced back to this period of European integration (for more details on the history and development of European social dialogue, see Chapter 4 of this volume).

### 1.3. Unity in the face of disillusion

At the end of the 1960s, the idea of creating a single European trade union entity began to gain ground. Under what circumstances did that happen? In 1968, the trade union confederations within the EFTA set up a secretariat to deal with the EEC, thereby signalling a growing interest in the common market.<sup>23</sup> Meanwhile, in 1969, the ICFTU lost its largest donor and member, the AFL-CIO.<sup>24</sup> The (socialist- and social-democrat-leaning) 'free' trade unions of the EEC countries decided in 1969 to found a new European entity, the European Confederation of Free Trade Unions (ECFTU), which took over from the former ETUS. As for the Christian-leaning trade unions, they established a European Organisation attached to the World Confederation of Labour (EO-WCL). Although composed of representatives of their respective internationals, each of these bodies enjoyed a certain degree of autonomy. Furthermore, the communist-leaning trade unions, in particular, the General Confederation of Labour (CGT, France) and the Italian General Confederation of Labour (CGIL) had their role recognised by the European Commission and set up a contact office in Brussels.<sup>25</sup>

This division of European trade unionism into large associations tied to their respective international – the ECFTU and EO-WCL – soon proved ill-equipped to keep pace with the developments in European integration. The difficult relations between the ECFTU and the sectoral committees and the tensions with the EO-WCL helped to create an almost permanent climate of conflict. The sky was further darkened by the fact that the Union of Industrial and Employers' Confederations of Europe (UNICE) – the European employers' organisation<sup>26</sup> – refused to enter into negotiations with the trade unions. This attitude strengthened the impression of the relative weakness of the trade union movement as a whole in relation to the increasingly powerful European presence of employers' organisations, which, moreover, were judged to hold more hard-line positions at European level than at national level.<sup>27</sup>

The same observation could be made with regard to relations with the European institutions: the inadequate integration of national trade union organisations and the lack of coherence in the positions adopted were weakening the European trade union movement. The very influence of labour movements on the drafting of Community decisions was now at stake – an influence that was deemed to be waning.

At the beginning of the 1970s, however, a move towards unity among trade unions started to manifest itself, particularly in Italy. The increasingly tangible prospect of enlargement of the EEC to the United Kingdom, Ireland and Denmark also played a part:<sup>28</sup> the need to form a common front to tackle the issues associated with this enlargement became ever greater. Furthermore, on a political level, the desire to strengthen the social aspect of European integration began to assert itself, including as a result of pressure from national trade unions. At the Summit of Heads of State or Government held in Paris in 1972, this desire was converted into a Commission mandate with a view to adopting a Social Action Programme by 1 January 1974. The statement by the Heads of State or Government referred explicitly to the fact that finding a solution to social problems was a fundamental objective of the Community, in the same way as economic development (for more details, see Chapter 2). According to Théo Rasschaert, then General Secretary of the ECFTU, the drafting of the social policies promised by the Paris European Summit required 'us to have an organisation that works effectively and that, at the same time, very clearly retains its role as a partner of the Community institutions'.<sup>29</sup>

Moreover, another factor worked in favour of greater unity among the trade unions: the 'Werner Report' of 1970 (named after the Christian-Democrat Prime Minister of Luxembourg) on the realisation by stages of economic and monetary union by 1980 explicitly



In 1972, Théo Rasschaert, General Secretary of the ECFTU, declares the need for a trade union organisation that can act as a partner of the European institutions.

Source: International Institute of Social History, Amsterdam

underlined the need for the systematic involvement of the social partners in the Community consultation process. Indeed, it stressed that the 'cohesion of the economic and monetary union will be the better safeguarded if the social partners are consulted prior to the formulation and the implementation of the Community policy. It is important to adopt procedures that confer on such consultations a systematic and continuous character. In this context, in order to avoid the emergence of excessive divergences, the trend of incomes in the various member countries will be studied and discussed at the Community level with the participation of the social partners'.<sup>30</sup> Nothing would come of this report, owing to the abandonment of the plan for economic and monetary union in the mid-1970s, but it made clear the need for a European trade union organisation capable of speaking with one voice, a need that would come up against a number of obstacles. As the former General Secretary of the ETUC, Emilio Gabaglio, recalled, 'during 1972, a conflict broke out between the two internationals concerning alliances for the elections to the Governing Body of the ILO; this conflict prompted the decision by ICFTU affiliates to go it alone. This is a clear illustration of the climate of suspicion and the difficulties which continued to beset the quest for trade union unity'.<sup>31</sup>

#### 1.4. Difficult negotiations

A statement by Georges Debunne, the then General Secretary of the FGTB trade union (Belgium) and one of the founders of the ETUC, offers a partial explanation of the deep-rooted motivations leading to the creation of this new institution: 'It is necessary to enlarge our



European organisation as the internal market is enlarged, because employers and, more specifically, multinationals are making use of the European Community to join forces against us'.<sup>32</sup> In the view of the founders of the ETUC, trade union efforts had to be directed against the growing power of the multinationals<sup>33</sup> and the changing global economic environment, and, from this perspective, the EEC could serve as a crucial weapon.<sup>34</sup> Faced with a European Commission taking decisions at European level, the trade unions of the six (soon to be nine) Member States of the Community would have to set about organising themselves and coordinating their actions in order to be able to speak with one and the same voice.

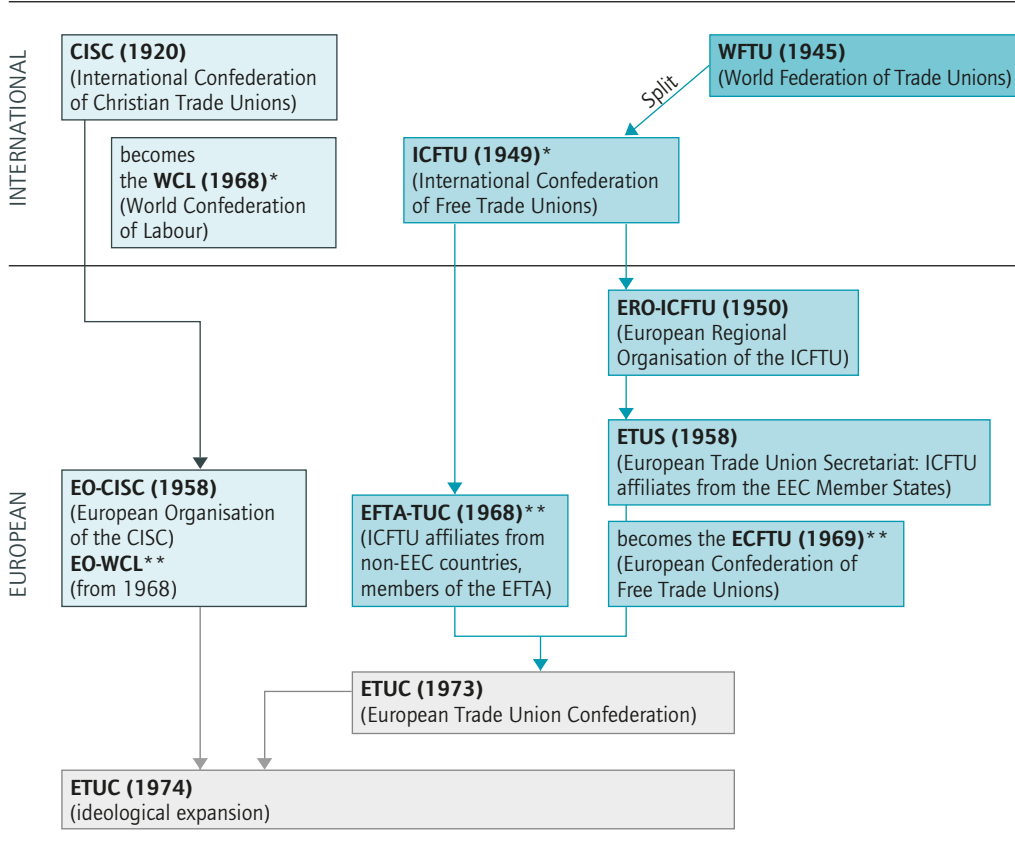
However, as we shall see below, none of this would occur without difficulties of a political (the future direction of the EEC), ideological (how to unite social-democrat, Christian and communist trade unions) and geographical (what area to cover, what sort of relationship to adopt with the trade unions of Eastern Europe) nature, all against a backdrop of fears about wage competition among workers in the Member States.

First discussions to determine the practicalities of the proposed European Trade Union Confederation were held in a meeting in Frankfurt in June 1971 at the initiative of DGB President, Heinz-Oskar Vetter. Negotiations were officially launched at a meeting held in Oslo, Norway, on 5 and 6 November 1971. It was attended by 16 trade union organisations belonging to the ICFTU, representing 14 European countries. This meeting brought together organisations from the EEC and from the EFTA. Among them were the chief founders of the future ETUC: Bruno Storti (CISL), Georges Debunne (FGTB), Thomas Nielsen (LO Denmark), Heinz-Oskar Vetter (DGB) and Victor Feather (TUC). The first discussions resulted primarily in the drafting of basic principles for closer cooperation between the trade unions of Western Europe, in view of the future enlargement of the EEC, the growing power of multinationals and the development of a European social policy. In this last respect, the trade unions within the EEC harboured great hopes as the Community had, on 14 December 1970, set up a Standing Committee on Employment responsible for facilitating consultation and joint action between the Council, Commission and the social partners. The creation of this committee was considered a victory for the trade unions.<sup>35</sup>

The founding of the new ETUC naturally could not take place until an agreement had been reached within the ECFTU. However, it was also necessary to come to an understanding with the EFTA-TUC, i.e. with the trade unions in the United Kingdom and the countries of northern Europe. British trade unionism was fearful of the emergence of internal conflicts owing to the anti-European positions adopted at its conferences. The Nordic trade unions, meanwhile, were opposed to an ETUC restricted to EEC Member States (see below).

Nevertheless, aside from these difficulties, the climate remained favourable for discussions and action aimed at achieving a 'European social union'. Among the Christian trade unions, the plans for a European confederation were raised at a meeting held in The Hague on 5 and 6 February 1972 between the most important leaders within the EO-WCL, chaired by August Cool, who was also the head of Belgium's Confederation of Christian Trade Unions (ACV/CSC) and ECFTU representatives. The meeting was confidential but the nature of the discussions soon came out. It was a declaration of intent made in the context of an alignment of views between the ICFTU and WCL that had been ongoing for several years. An agreement in principle was reached to establish the new European organisation together, with the Christian trade unions intended to be part of it from the outset, but the clash over the ILO would see their accession to the ETUC postponed until a year later (see above). For some trade union leaders within the ICFTU, opening the new organisation up to the Christian trade unions would also mean a green light for an alliance with the communists. They argued that such an overture at this early a stage would hamper the process of internal consolidation essential for the effective functioning of the future organisation.

**Graph 1 The international trade union movement, its regional organisation at European level and the founding of the European Trade Union Confederation (ETUC)**



\* In 2006, the WCL and ICFTU were dissolved and, with others, founded the International Trade Union Confederation.  
 \*\* The EFTA-TUC and ETUS were dissolved when the ETUC was founded in 1973. The EO-WCL was dissolved in 1974, so that its members could join the ETUC on an individual basis. It should further be noted that, in 1974, other trade union organisations joined the ETUC as individual members.

Source: Christophe Degryse, ETUI

Beyond the question of opening up membership to the Christian trade unions, other issues had still to be resolved, such as determining the decision-making powers of the new confederation. The role to be played by the industry federations also needed to be settled; it would, incidentally, be at the centre of a major reform of the ETUC in 1991 (see Chapter 3). The question of relations between industrial sectors and trade union committees at international level was a complex one. The International Trade Secretariats (ITS) were proving active across all sectors, in a bid to guarantee control over the activities of the trade union committees. According to the Belgian Théo Rasschaert, General Secretary of the ECFTU, it was ‘better to guarantee them a role in the constitution and, potentially, to increase their influence if deemed necessary, subject to the prior opinion of the International Trade Secretariat(s) concerned’.<sup>36</sup>

From May to December 1972, vigorous debates continued to be held within the different trade union bodies, including the ICFTU. At the 10<sup>th</sup> Congress of the ICFTU, held in



London from 10 to 14 July 1972, the proposed creation of a European trade union organisation aroused concerns, notably on the part of the President of the ICFTU, the Canadian Donald MacDonald, regarding the dispersal of efforts and material resources that were already less than generous. He feared a lesser contribution to the ICFTU by the European organisations.<sup>37</sup> The risk was that these efforts and resources would be diverted to the European entity to the particular detriment of developing countries and international trade union action that reflected the need for solidarity in efforts to tackle hunger and champion trade union rights. The Frenchman André Bergeron of the CGT-FO (from here on, this confederation will be referred to as simply FO) referred to the danger that a 'club of the rich' would emerge.<sup>38</sup> The question of relations with the Eastern Bloc countries was also raised as bilateral contacts existed between trade unions in Western and Eastern Europe, and the new European order made it necessary to clarify the future role of the ETUC and ICFTU in this respect.

The subject of the borders of the future ETUC would also be debated at length during 1972. Should they be fixed at the borders of the EEC or should they extend further? The decision to broaden the geographical reach of the organisation (beyond the borders of the EEC) was taken at the initiative of the ECFTU, during its conference held in Luxembourg from 30 November to 1 December. In order to resolve this delicate issue, prior communication had taken place between the DGB and representatives of the Nordic trade unions. On 7 November 1972, some weeks before the conference in question, a meeting in Düsseldorf had settled the matter. As far as leaders of the Nordic trade unions were concerned, only the 'comprehensive' solution was acceptable, namely the extension of the geographical scope of the ETUC beyond the borders of the EEC. Leaders from Denmark, which was preparing to join the EEC, wanted at all costs to avoid a split with the trade union movement in the Nordic countries outside the EEC (Sweden, Finland, Norway and Iceland).<sup>39</sup> In reality, the essence of the debate concerning the geographical boundaries of the ETUC was not so much concerned purely with geography (which countries should be part of the new entity) as with politics (which trade union organisations should be included in the future European confederation). Although initially reluctant, German trade union leaders finally came round to this comprehensive solution, with the German General Secretary of the ICFTU, Otto Kersten, equipped with many years' experience on the international stage, no doubt having been instrumental in this regard. During these negotiations, one of the DGB's priorities was that the new organisation and its name should retain clear links with the ICFTU and that it should incorporate the word 'free'. The chosen name did not reflect the DGB's wish and no organic link was preserved with the ICFTU. By way of scant consolation, the preamble of the constitution of the future ETUC mentioned that it had been founded by organisations affiliated to the ICFTU.<sup>40</sup> Otherwise, the DGB's agreement on the objectives and tasks of the future European organisation was dependent on a specific reference to the EEC in its constitution, and to the role the ETUC was called upon to play in respect of this Community.

### **1.5. A founding congress and first action programme**

On 8 and 9 February 1973, the constituent assembly (8 February) of the European Trade Union Confederation (ETUC), followed by its founding congress (9 February), was held at the Maison des Huit Heures in Brussels (the headquarters of the public service unions within the FGTB). Georges Debunne, General Secretary of the FGTB, presided over this assembly of 17 national organisations. He recalls the difficulties over the two issues of great sensitivity at the time: 'The first was whether it [the ETUC] should be extended to the Christian trade unions. The second issue concerned its geographical scope. In the end, a decision

was made. By vote, I should point out, and not just like that. We decided on the ETUC and that it would be extended to all democratic trade unions in democratic countries. Which meant that Franco, Salazar and The Regime of the Colonels [Authors' note: i.e. Spanish, Portuguese and Greek trade unions] remained excluded. However, in practice, the Spanish UGT was considered a founding member of the ETUC; it was therefore a clandestine member of our organisation, in opposition to Franco'.<sup>41</sup>



**On 8 and 9 February 1973, the constituent assembly of the ETUC followed by its founding congress take place at the Maison des Huit Heures (Brussels).**

Source: International Institute of Social History, Amsterdam

For some members of the new ETUC, including the Germans from the DGB, the French from the FO, the Italians from CISL and UIL, and the Benelux-based trade unions, the aim was to promote a politically integrated Europe.<sup>42</sup> However, as we have seen, this aim was not shared by everyone; others, like the British TUC and Nordic trade unions, had a different vision and preferred to emphasise the notion of an interest group. From the very outset, therefore, the ETUC was required to apply a great deal of pragmatism in order to maintain internal unity as regards its ideas and actions.

At this first congress, the ETUC, at the proposal of the newly elected Executive Committee, included Spain's then exiled UGT on the list of constituent organisations.<sup>43</sup> The name of the new organisation was approved, along with its remit: it would deal not only with the European Communities but also with the EFTA and the Council of Europe. An EO-WCL delegation led by the Belgian Jef Houthuys, President of the WCL and of the CSC, participated in an observer capacity.

It would take a further year of discussions before, on 7 March 1974, an agreement was reached between the EO-WCL and the ETUC with a view to affiliating the Christian trade unions. The affiliation process was ratified by the first extraordinary congress of the ETUC, held in Copenhagen from 23 to 25 May 1974. An action programme was also adopted, but the individual organisations still lacked a homogeneous approach to labour



At its extraordinary congress in Copenhagen in May 1974, the ETUC welcomes as members the social-christian trade unions. It is the first step towards trade union unity in Europe.

Source: ETUC

market issues in Europe and differences in the respective national situations persisted (see the following chapter)<sup>44</sup>.

On 31 May 1974, an extraordinary congress of the EO-WCL decided to dissolve the organisation, while reaffirming its members' loyalty to the WCL. The ETUC now had around 35 million members spread among 30 trade union organisations based in 17 countries of Europe. Nevertheless, questions remained as to its representativeness, owing to the absence from its ranks of powerful trade unions such as France's CGT and Italy's CGIL, whose affiliation to the communist trade union movement left them outside the ETUC.<sup>45</sup> A first gesture would be made in this regard. On 9 July 1974, the Executive Committee of the ETUC approved the affiliation of the CGIL (after the latter had 'downgraded' its membership of the WFTU to merely associate member status and had won the backing of Italy's CISL and UIL)<sup>46</sup> and, in so doing, signalled a further decisive rapprochement between trade unions that had previously been separated by profound ideological differences. Since the late 1960s, the Metal Committee, the forerunner of the European Metalworkers' Federation (EMF), had assisted this rapprochement by advocating closer relations and cooperation with the Christian trade unions and the Italian trade union FIOM-CGIL. Progress towards trade union unity in Western Europe began to speed up, even if the discussion concerning membership applications from other post-communist confederations would continue for many years yet. This discussion did not end until after the fall of the Berlin Wall for Spain (with the joining of the CCOO in 1990) and Portugal (with the joining of the CGTP-IN in 1993), and until 1999 for France's CGT.

**The path towards a united European trade union movement remained long and treacherous. Not all issues had been resolved. The cohesiveness of the new organisation was still problematic. For instance, as a mark of their hostility to European integration, seen by the majority as plans to set up a 'capitalist club', the TUC and its 10 million members decided, at their 1973 Congress, to boycott the European institutions (the Economic and Social Committee, advisory committees etc.). The boycott would last until 1975. Reversing the stance of the British trade unions and attempting to involve them in the European project would prove one of the ETUC's main internal challenges. However, other challenges would naturally also present themselves in the course of European integration. The development of the institutions and Europe's political dynamic are discussed in the next chapter.**





# Chapter 2

## 1973-2013: Forty years of trade union activism

In 1973, as the brand new 'Europe of the Nine' (which now included the United Kingdom, Ireland and Denmark) was continuing its gradual implementation of the common market and abolishing customs duties and trade barriers, an event occurred that would have huge socio-economic consequences. Following the Arab-Israeli War of October 1973, the Arab members of OPEC<sup>1</sup> declared an oil embargo. The first 'oil price shock' hit, marking an abrupt end to the *Trente glorieuses* or 'glorious thirty', the period of uninterrupted economic growth and full employment lasting from 1945 to 1973.

No sooner had the ETUC been formed than it consequently found itself confronted with a series of economic crises and rising unemployment that quickly became structural. The initial question as to the impact European integration would have on wages and the free movement of workers was therefore followed by that of the role Europe should play in order to boost economic development and tackle unemployment. Forty years on, these are still burning issues, even if the context has changed. Today, the European Union has 28 Member States. With greater or lesser success, it has adapted the way its institutions work. Eighteen Member States have achieved economic and monetary union. We now have a globalised economy. Nevertheless, for the European trade union movement, the main challenges remain the same: jobs, unemployment, competition among workers, pay, working conditions, gender equality and basic social rights, etc.

Over the following pages, we shall outline the main developments in European integration from 1973 to 2013. The work of the last 40 years may have been chaotic at times but, for the ETUC, it has always been accompanied by trade union efforts to ensure the presence of a social dimension.<sup>2</sup>

This period has been divided into four main stages:

- 1973-1984: economic crisis, structural unemployment and neoliberal revolution
- 1985-1991: revival of the European project and fall of the Berlin Wall
- 1992-2004: enlargement... and deeper integration?
- 2005-2013: Europe in turmoil.

## **2.1. 1973-1984: Economic crisis, structural unemployment and neoliberal revolution**

The circumstances in which the European Economic Community (EEC) evolved at the beginning of the 1970s were marked, globally, by the end of the Bretton Woods system (see below) and the monetary instability that followed, along with the oil price shock and accompanying economic crisis, and, at home, by the enlargement of the Community to include the United Kingdom, Ireland and Denmark. The poor economic climate – economic crisis, monetary instability, rising unemployment, etc. – prompted attention to revert spontaneously to domestic matters, as each government tried its best to bring the troubled situation under control. Nonetheless, following on from the Paris European Summit of 1972, initiatives were carried out with a view to strengthening European political and social integration. The first social action programme, the creation of the European Regional Development Fund (ERDF) and the founding of agencies concerned with social issues were all initiatives that reflected this attempt to provide a European response to the crisis and stagnation. However, the impetus lent by the 1972 Summit would not last. By the mid-1970s Europe was gradually entering a period of Eurosclerosis, which would not end until 1985.

### 2.1.1. 1971: End of the Bretton Woods monetary system

Since 1945, the United States' economic and social model had been an important reference point for the EEC. The Bretton Woods Agreements of 1944 established a new world economic order intended to facilitate the economic rebuilding of Europe and to ensure a degree of monetary stability at international level. These agreements saw the birth of the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development, set up to grant loans to finance Europe's economic recovery. These agreements included a monetary chapter: in the aim of establishing a stable international monetary system, Bretton Woods made currencies mutually convertible and 'tied' the value of the US dollar to gold, of which Washington had sizeable reserves at the time, owing to the wartime payments made to the United States in gold by its European allies. Bretton Woods thus ensured the recovery and growth of international trade and restored to working order the European economies that had been devastated by the conflict.

At the end of the 1960s, however, the American 'model' encountered economic difficulties (growth of its gross domestic product slowed and the dollar lost value), accompanied by acute foreign policy troubles, in particular the United States' ongoing involvement in the Vietnam War and ever greater social unrest: anti-war protests, the civil rights movement and the rise of the far left (while Europe was experiencing the events of May '68). It was against this backdrop that, on 15 August 1971, the President of the United States, Richard Nixon, unilaterally declared an end to the dollar's gold convertibility. The monetary chapter of the Bretton Woods Agreements was now defunct. In Europe, some saw the 'decline of the American empire' as an almost mortal threat to the Old Continent. President Nixon's

decision resulted in the floating of European currencies against the dollar, with increasingly destabilising effects. This prompted Europeans to seek a joint solution to this problem of instability (the ‘snake in the tunnel’ approach, followed, in 1973, by the creation of the European Monetary System in 1979).

### 2.1.2. 1972: The Paris Summit and the drive for a ‘social Europe’

The German Chancellor, Willy Brandt, supported by the Confederation of German Trade Unions (DGB), indisputably helped revive the debate about a social Europe. After coming to power in 1969, in 1972 he proposed a memorandum on a social Europe that emphasised employment and vocational training and the benefits of social dialogue. At the first European Summit attended by the Nine, which was held in Paris from 19 to 21 October 1972 (two months prior to enlargement), the Heads of State or Government stressed that ‘they attached as much importance to vigorous action in the social fields as to the achievement of the Economic and Monetary Union [still at the planning stage at that time; see the reference to the Werner Report in Chapter 1]. They thought it essential to ensure the increasing involvement of labour and management in the economic and social decisions of the Community’.<sup>3</sup> They granted the Commission a mandate with a view to the adoption of a social action programme before 1 January 1974. This programme ‘should aim, in particular, at carrying out a coordinated policy for employment and vocational training, at improving working conditions and conditions of life, at closely involving workers in the progress of firms, at facilitating on the basis of the situation in the different countries the conclusion of collective agreements at European level in appropriate fields [...]’.<sup>4</sup> It was at this same Summit that regional policy was discussed for the first time. European leaders were anxious to ‘correct [...], in the Community, the structural and regional imbalances which might affect the realisation of Economic and Monetary Union’.<sup>5</sup> Accordingly, a European regional policy came into being in 1973, the main instrument of which, the European Regional Development Fund (ERDF), was created in 1975, at the request of the United Kingdom in particular.<sup>6</sup>

### 2.1.3. 1973: Enlargement and the oil crisis

The year 1973, the year of the enlargement of the Community to the United Kingdom, Ireland and Denmark, marked the introduction of social welfare systems based on the respective principles of the founding Member States – Bismarckian models for the founding countries and Beveridgean models for the British and Irish – which raised hopes, in some federalist circles, of the eventual harmonisation of social protection in Europe. In demographic terms, this round of enlargement meant that the EEC was now bigger as an entity than the two superpowers of the time, the United States and the Soviet Union. Internally, the Franco-German pairing and Italy now had to come to terms with another ‘large’ member, the United Kingdom, which remained a very close partner of the United States. Politically, European integration reached a turning point in 1974, when the Labour Party returned to power in the United Kingdom, with the Left already in government in Germany, the Netherlands and Luxembourg, and soon to be followed by Denmark (1975). At this point, and for the first time since its creation, left-wing governments therefore formed the majority within the Community.

However, increasing monetary instability arising from the collapse of the Bretton Woods monetary system was followed by a cyclical – later to become structural – energy



crisis triggered by the first oil price shock of 1973. The latter, which saw the cost of oil per barrel increase and production by the Arab members of OPEC diminish, led European economies into crisis. The ‘glorious thirty’ had come to a brutal end. The sudden rise in energy bills caused an inflationary spiral, which not only created balance-of-payment issues but also affected industrial production. Employment was hit hardest. Unemployment rose consistently, bringing catastrophic social consequences, and became a permanent affliction.

Faced with crisis and unemployment, national governments adopted policies without any coordination. Some made tackling inflation the priority, while others focused on unemployment.

#### 2.1.4. 1974: The final year before Eurosclerosis?

The year 1974 marked an important turning point. It was the deadline set by the Heads of State or Government at their 1972 Summit for the presentation by the Commission of the first social action programme. This process gave the ETUC its first opportunity to articulate its demands. On 15 May 1973, it addressed a memorandum to the European institutions in which it set out its requirements for the action programme: full employment as an objective, along with high-quality employment, regional development, unemployment cover, price stability, workers’ participation rights within companies, safety and protection at work, equal rights and pay for men and women, job-related training, the protection of immigrants, and the drafting of collective agreements at European level.<sup>7</sup>

In spite of the deteriorating economic situation, the Commission launched its action programme in January 1974. It took the form of a coordinated, if not a common, policy; its implementation was largely reliant on the Member States, which had sole competence in this area. Social policy was still essentially a national concern, owing to the weak legal bases provided by the European Treaties in this respect. This action programme made use of European Social Fund (ESF) resources in particular, with the chief aim of reducing the development disparities between Member States. The creation of the ERDF, mentioned earlier, was intended to serve a similar purpose.

It was under this programme that two social directives were adopted: one on equal pay for men and women on 10 February 1975 (following on from the case brought by Gabrielle Defrenne, a former flight attendant with the Belgian airline Sabena – see box 2) and one on the approximation of laws relating to collective redundancies, adopted on 17 February 1975.<sup>8</sup> These texts helped to create a Europe-wide legal framework for corporate restructuring.<sup>9</sup> Envisaged as a framework that would ensure the presence of the social partners at the negotiating table, the measure appeared innovative in both its wording and the procedures proposed.<sup>10</sup> The aim of this Directive was twofold, serving both an economic and a social purpose: to guarantee comparable protection for workers in the different Member States and to ensure that the costs borne by Community businesses as a result of the protection provisions were at a similar level.

**Box 2****The origins of the European anti-discrimination directives**

It is worth highlighting the case of the Belgian flight attendant Gabrielle Defrenne, who was obliged to retire at an early age in 1968. Her male colleagues enjoyed far more favourable conditions, since they were able to work until the legal pensionable age, all the while accruing seniority and pay-related benefits. Women did not have the same entitlement, in spite of doing equivalent work. Gabrielle Defrenne lodged a complaint for sexual discrimination.<sup>11</sup> Her lawyer, Éliane Vogel-Polsky, brought the case before the Belgian courts. The Court of Justice of the European Communities (CJEC) ultimately found in favour of the flight attendant. The Treaty of Rome did indeed set out the principle of equal pay for men and women (Article 141 of the EC Treaty). The CJEC made an exhaustive interpretation, from which

it derived a general principle banning all discrimination on the grounds of sex. This paved the way for the adoption, from 1975, of five directives based on Article 141, which set out to guarantee equality between men and women. They concerned equal pay (Directive 75/117/EEC of 10 February 1975); equal treatment as regards access to employment, vocational training and promotion, and working conditions (Directive 76/207/EEC of 9 February 1976); equal treatment in matters of social security (Directive 79/7/EEC of 19 December 1978), even in the case of schemes based on an occupational sector or area of economic activity or established by an undertaking (Directive 86/378/EEC of 24 July 1986); and, finally, equal treatment between men and women engaged in an activity, including agriculture, in a self-employed capacity (Directive 86/613 of 11 December 1986).

It was also as a consequence of the social action programme that a European Centre for the Development of Vocational Training (Cedefop) was founded on 10 February 1975,<sup>12</sup> along with a European Foundation for the Improvement of Living and Working Conditions (Eurofound).<sup>13</sup> These two Commission agencies are the oldest decentralised Community bodies. They would later be joined, in 1996, by the European Agency for Safety and Health at Work (see box 3). The management bodies of these Agencies are, in all cases, tripartite.

**Box 3****Agencies serving a social Europe**

The **European Centre for the Development of Vocational Training** (Cedefop) was set up to support the Commission in its efforts to promote and develop vocational training and continuing training at Community level. Referred to by the ECFTU as early as 1971, its founding owed much to the European social partners, who played an important part in its establishment when the proposal was still taking shape in the Commission, following the impetus provided by the 1972 Paris Summit. It was undoubtedly thanks to the perseverance of Maria Weber from the DGB that the proposal would achieve fruition.<sup>14</sup> The opening of this agency came after difficult negotiations. Its

precise role, the practical organisation of its work, its budget and the status of its staff would long remain subject to uncertainty and the verdict on its first few years of existence would be mixed. Nonetheless, as far as the trade unions were concerned, the founding of Cedefop and the issue of vocational training in Europe provided a useful focus for promoting dialogue with the Community institutions. The Centre's existence made it possible to intensify the debate on various social aspects of European integration, such as employment, the right to work, social security, working conditions and the free movement of workers, areas that had previously been the preserve of national governments.<sup>15</sup> Initially located in Berlin before moving to Thessaloniki in Greece, the agency would play a

significant role in the 1980s in realising the internal market and the free movement of persons with regard to the sensitive issue of the mutual recognition of qualifications. Since 2004, Europass has provided a single framework for the transparency of qualifications and skills.<sup>16</sup>

The **European Foundation for the Improvement of Living and Working Conditions** (Eurofound) was set up in Dublin in 1976, though not without disagreements between the social partners, sometimes within the same employers' organisation or trade union. The purpose of the Foundation is to help plan and establish better living and working conditions by providing decision-makers with the scientific and technical information they require. It carries out its work in cooperation with governments, employers, trade unions and the European Commission. The social partners are members of its Governing Board. Its research and analysis activities are aimed at facilitating discussions on issues such as the impact of technological advances on shift work, i.e. group or rotating work, which was one of the Foundation's first tasks.

The **European Agency for Safety and Health at Work** (OSHA) was established in 1996. Located in Bilbao (Spain), its main role is to gather and disseminate technical, scientific and economic information available in the field of safety and health at work. From the Agency's very beginnings, the ETUC has backed a strong European agenda for health and safety at work. This agenda should be based on effective workplace legislation and the development of new areas of progress through the capacity to perform evaluation and monitoring activities, the use of open coordination and the definition of benchmarks, indicators and targets, a stronger role for the social partners, the application by public authorities of the highest standards of safety and health at work for their own workers, better representation for workers and increased efforts to inform, consult and ensure the participation of workers and their representatives in respect of decisions concerning health, safety and the organisation of work.

On an institutional level, a decision was taken, at the Paris Summit of December 1974, to introduce direct elections to the European Parliament by universal suffrage. Although it proved far harder to reach an agreement on the specific arrangements governing these elections, the first European elections were held in June 1979, attracting a reasonably high turnout of almost 62%;<sup>17</sup> victory went to two major movements, the Socialist Group (which won 112 of the 410 seats) and the Christian-Democrat Group of the European People's Party (PPE) (which won 108 seats).<sup>18</sup>

It was at this same summit that the subject of a more far-reaching transformation of the Europe of the Nine was raised, with a view to deepening integration and creating the European 'Union'. The Tindemans Report, named for the Belgian Prime Minister of the time, was tabled on 29 December 1975. It called for decisive action in the fields of monetary policy and energy and advocated extending the Community's competences. It considered that the Community should act with greater unity in the international arena, including by means of a common defence policy. Whether too bold or too ambitious, the Tindemans Report failed to find support. The political changes that occurred in the United Kingdom in 1974 (the return to power of the Labour Party, which sought to renegotiate the terms on which its country had acceded to the Community) dampened enthusiasm for greater political integration within Europe.

Europe entered a period of stagnation that lasted into the second half of the 1970s. In spite of political pronouncements about a social Europe and a degree of regional convergence, the actual results achieved in terms of tackling unemployment fell far short of ambitions. For its part, the ETUC continued to set out national demands. Not without difficulty,

as, on some issues, its members shared neither the same approach nor the same traditions. This was the case, for instance, regarding workers' representation on company boards and collective bargaining. Nevertheless, its efforts in articulating its positions led to the adoption, at the London Congress of 1976, of objectives for a joint programme for the period 1976-1979<sup>19</sup> (see box 4).

#### Box 4

##### **The London Congress (1976):**

##### **Organisation around common goals**

In the mid-1970s, the ETUC was still finding its feet. When it came to joint action, there were some teething troubles. On 14 November 1975, the first demonstration was held in Brussels in favour of job security and guaranteed income. It was, however, a timid affair. According to some, 'This was essentially due to the original conception of European trade union action as exclusively directed towards institutional Europe.'<sup>20</sup> Furthermore, the expense of carrying out European actions, resulting from participants' transport costs – which were markedly higher than for national demonstrations – and loss of wages, should not be overlooked.

The London Congress, held from 22 to 24 April 1976, opened amid difficult circumstances. On the one hand because, as the then General Secretary Peer Carlsen observed, 'in the short time it has existed, the ETUC has found itself confronted with the biggest employment crisis and most serious economic depression that have been seen for decades.'<sup>21</sup> On the other hand, however, because the ETUC's Secretariat was, itself, undergoing a series of changes: the departure of the General Secretary, Théo Rasschaert, the sudden death of the Secretary, Alfred Misslin, and the departure of the former Deputy General Secretary, Kaare Sandegren. It was therefore with an incomplete team, and within a very short space of time (the decision to hold the Congress in April 1976 was not taken until the end of 1975), that the London Congress was organised.

At the Congress, the work of the ETUC's individual committees and working groups was presented, whose various remits were the 'democratisation of the economy', 'collective bargaining', 'women trade union leaders' (which would become the Women's Committee), 'energy', 'young people' (the future Youth Committee) and 'press

and trade union information'. European trade union action was beginning to take on a definite form; the ETUC was involved in a number of Community institutional forums: the Tripartite Social Conference, the Standing Committee on Employment and the Tripartite Economic and Social Conference, not to mention exchanges of views with Members of the European Parliament, and relations of varying formality with several directorates-general of the Commission. In this respect, the ETUC needed gradually to acquire a doctrinal 'backbone'. While an initial action programme had been presented at the Copenhagen Congress of 1974, it had not been approved by delegates in that form. They had preferred a resolution setting out the ETUC's broad policy lines and general objectives. At the London Congress of 1976, an effort was made to establish joint positions. The result was not an 'action programme' in the proper sense of the term, but 10 European trade union 'objectives' for the period 1976-1979.

These related to:

1. unemployment and inflation
2. the democratisation of the economy/multinational groups
3. energy
4. the working environment
5. equal rights and opportunities
6. the Lomé Convention (development cooperation)
7. democracy and freedoms in Western Europe
8. détente, security and cooperation in Europe
9. migrant workers
10. a campaign of action in favour of Northern Ireland.

These objectives 'represent the official policy of our organisation', the General Secretary of the time, Mathias Hinterscheid, emphasised. They would provide the framework for ETUC action until the end of the 1970s.

### 2.1.5. Neoliberal revolution

With the election of Margaret Thatcher in the United Kingdom in 1979 and Ronald Reagan in the United States in 1981, this was a neo-liberal revolution that began in the Anglo-Saxon world, and would gradually spread to the entire Western world. On the international stage, tensions between the superpowers were increasing. Certain sources of conflict, such as the USSR's presence in Afghanistan or the clashes in Poland between the new independent trade union *Solidarność* and the Communist authorities, allowed the Reagan Administration to return with a vengeance to the rhetoric of the Cold War. This rhetoric was not echoed by the majority of European countries, which favoured dialogue with the Soviet Union; moreover, certain sections of the European public made clear their opposition to the deployment of missiles on the European continent. This attitude led to new divisions between the European partners.

With regard to the economy, the 'neoliberal revolution' was perfectly embodied in Europe by Margaret Thatcher. Most notably, she refused to give in to the striking miners from the National Union of Mineworkers and significantly weakened the trade union movement; she also extolled the virtues of market liberalisation and fought tooth and nail to defend the freedom of economic operators from State-imposed and interventionist restrictions. Other European governments looked on; some politicians allowed themselves to be seduced by this revolution (in Belgium, the Liberal Guy Verhofstadt was known at the time as 'Baby Thatcher'). Thus it was that the tenets of 'good governance' gradually asserted themselves: opening of the markets, privatisation, free movement of capital, deregulation of the financial sector, tax cuts and reduced public spending. The scale of this change must be understood in the light of the ideas and policies still being implemented in the early 1970s. In the 1980s, the market was increasingly seen as the only legitimate means of regulating the economy. Regulation, control and intervention by the State were now regarded with suspicion.

While the crisis had led to structural unemployment and major changes in the world of work, the interventionism widely supported in the previous decade gave way to this trend for deregulation and privatisation. The role of trade union organisations as co-authors of social policy was called into question, at times rather brutally, such as in the United Kingdom. In order to end the crisis and unemployment in Europe, the ETUC called for a Keynesian policy based on stimulating demand: increasing low salaries and social assistance so that the most vulnerable sections of the population could afford to spend (see box 5). It also pointed out that there were assets and savings left untouched by individuals that could be usefully invested in the real economy and the creation of jobs. However, it went unheeded. Neoclassical orthodoxy was the order of the day: governments had too little room for manoeuvre to be able to embark on public investment programmes, on account of the level of public debt, and increasing pay would undermine efforts to boost competitiveness and productivity.

It was against this backdrop of European stagnation, of Eurosclerosis accompanied by the liberal revolution, that Greece, whose membership had been in the planning since 1961, officially joined the Community on 1 January 1981. This new Member State, with its essentially agricultural economy and small population, lent a new dimension to an EEC previously dominated by industrial, northern and Atlantic countries bearing the stamp of Catholic and Protestant Christianity. It was for this reason that a genuine Community regional policy would prove essential.



## Box 5

### **The Munich Congress (1979): Consolidation and attack**

While it was now equipped with its first framework of political objectives, the ETUC had much to do in order to strengthen the role of its Secretariat and to impose its own style. Referring to the first few years of its existence, several analyses note that it had limited support from its members for actions at European level.<sup>22</sup> Some saw it only as a liaison or a lobby serving the national organisations, whose influence was confined to the small area of Brussels and which lacked a strong connection with the members it represented.<sup>23</sup> It was necessary to improve the ETUC's internal cohesion<sup>24</sup> and to narrow the gap between sometimes radically opposed viewpoints.

Above all, the late 1970s were very difficult from an economic perspective. The tentative recovery of early 1976 had been nipped in the bud 'owing to the excessively cautious and uncoordinated policies of many governments'.<sup>25</sup> In Western Europe, unemployment affected more than 7 million people in 1978. On 5 April that year, the ETUC and its member organisations held a day of demonstrations to publicise their demands as regards employment, in particular a reduction in working time, better distribution of work and the creation of jobs in the service sector. This day of action was widely supported across Western Europe in the form of rallies, mass demonstrations and strikes. The European authorities barely batted an eyelid, however.<sup>26</sup>

It was against this backdrop of economic and social crisis that the third Statutory Congress was held in Munich from 14 to 18 May 1979. Reporting on its actions with regard to the European institutions, the ETUC recounted the difficulties, or even open conflict, it had experienced in certain cases. This was especially true of its dealings with the Council of Ministers in the context of the tripartite conferences and the Standing Committee on Employment (intended to ensure dialogue, concertation and consultation between the Council, Commission and the social partners). Faced with a lack of commitment and cooperation from Council representatives, the ETUC decided to

withdraw from the tripartite conferences;<sup>27</sup> in the case of the Standing Committee on Employment, its battle was with employers, given their reluctance to discuss the effects economic policies had on employment, as the ETUC wished to do. The Secretariat focused its efforts on developing direct contact with the Council of Ministers, the Council Presidency, COREPER<sup>28</sup> and national officials in certain Council committees etc. Nevertheless, it would lament the fact that these efforts 'have not been crowned with success as yet'.<sup>29</sup>

At the end of the Munich Congress, the ETUC adopted its very first real 'action programme' covering the period 1979-1982. It set out the general concerns of trade union leaders of the time: 'For the period 1979-1982, economic growth will certainly be much needed, but not at any price. The objective should be selective and qualitative, and not solely quantitative, growth: living and working conditions should be improved and not the contrary. Real, not false, needs must be met. The natural environment must be protected and energy and scarce raw materials preserved. It is necessary to ensure balanced development across all regions and to see to it that certain categories of worker are not pushed out of the job market. The fruits of growth should be distributed fairly both within countries and between them. This type of growth can never be achieved simply relying on so-called market mechanisms; instead, it is necessary to plan to that end.'<sup>30</sup> The programme therefore focused on planning for full employment, with reference to a reduction in working time, multinationals, economic democracy, working conditions, young workers, equal rights and opportunities for women and migrant workers, but also the common agricultural policy, living standards, consumers and, of course, international cooperation.

With regard to the internal workings of the ETUC, the Munich Congress called for national trade unions to pool their demands and share their campaign methods and ensuing results, for a period of reflection in order to identify common analyses and goals, and for the organisation and coordination of campaign activities, lobbying and strikes.



At its Munich Congress in 1979, the ETUC adopts its first real action programme, covering the period 1979-1982. From left to right: Peter Coldrick (TUC, Confederal Secretary of the ETUC), Heinz-Oskar Vetter (DGB, outgoing President of the ETUC), Mathias Hinterscheid (OGB-L, General Secretary of the ETUC) and Wim Kok (FNV, elected President of the ETUC at the Congress).

Source: ETUC

As the socio-economic crisis worsened, the ETUC adopted a resolution at its Congress in The Hague in April 1982 stating that, ‘the objective of full employment should serve as the basis for all economic policies and the right to work should be guaranteed for all. The ETUC therefore proposes a strategy of economic recovery to be negotiated with European public authorities and employers. The basis of this strategy consists in supporting the implementation of socio-economic policies that are coordinated at European level, as the ETUC condemns the present situation whereby each country is attempting, in the interest of its balance of payments, to improve its competitive position in relation to neighbouring countries by cutting its domestic spending, leading to a general fall in employment and production across Europe’ (see box 6).

### Box 6

#### **The Hague Congress (1982). Disillusionment: from the offensive to the defensive**

Was this the first Congress marked by disillusionment? The speeches given at the Congress held in The Hague (Netherlands) from 19 to 23 April 1982 reflected very clearly two developments that would later be the subject of much analysis: the economic crisis had become more or less permanent and unemployment structural (there were 13 million registered unemployed and 2 million hidden unemployed); and neo-liberal policies were prevailing in both the United States and Europe.

The General Secretary, Mathias Hinterscheid, told the 200 delegates that the action programme adopted in Munich had been widely circulated, promoted and developed, but ‘we have the impression that, for little over a year, we have been drifting towards far too defensive a

stance. At national and industry level, we are increasingly busy defending the status quo – and not always successfully at that – but we very rarely manage to ensure that our demands are taken on board. At European level, too, we need to protest more frequently against the attacks on wages and social benefits, against a policy that chiefly serves big money and high earners, to the detriment of those on low wages and social benefits’.<sup>31</sup>

Wim Kok, whose presidency of the ETUC came to a close at this Congress, described these developments in detail in his opening speech: ‘here we have one of the most fundamental criticisms of socio-economic policy as it has been conducted in recent years in most of Europe. It is a policy [...] that is essentially based on the fact that the battle against inflation must take priority over the battle against unemployment, that unemployment is mainly the result of excessively high wage costs

and that wage moderation and public spending cuts are prerequisites for economic recovery, even if that causes unemployment to rise further. [...] Friedman has made no secret of it: the trade union movement could die out, and the sooner the better'.<sup>32</sup>

In the prevailing political discourse, the economic crisis was increasingly being reduced to a Welfare State crisis. It was consequently considered necessary to abolish or scale back social progress: minimum wages, social benefits etc. Every country in Europe was attempting simultaneously to improve their competitiveness by reducing spending and moderating wages, thereby exacerbating the crisis. The Congress therefore called on governments to end their restrictive policies and to give a concerted boost to the economy equivalent to 1% of GNP.

As for Europe, 'it is painful to observe that, at precisely this crucial time [of economic stagnation and recession], the European Community is going back on its word, caught up as it is in internal quarrels that prevent it from getting to the heart of the problems'.<sup>33</sup> Relations with the Commission were themselves becoming a problem. 'In the course of countless consultation, pre-consultation and information meetings, briefings, and official or unofficial meetings with heads of department, Directors-General and Commissioners, we have tried to make as full a contribution as possible to the drawing-up of Commission proposals at

the earliest stage possible.' However, at a meeting of September 1979, 'it became very clear that there were considerable differences of opinion between the Commission and the ETUC as to the economic policy required'.<sup>34</sup> These differences would lead to a full breakdown in relations until 1981. They would later resume, but without bridging the now deep divisions between the European executive and the mouthpiece for the Community's workers. In the eyes of the ETUC, the Commission was 'determined, come hell or high water, to pursue the fashion for a monetarist and deflationist policy'.

In June 1981, the European trade union drafted a Manifesto for Employment and Economic Recovery. A reduction in and redistribution of working time were at the very centre of its demands. At the European Summit held in Luxembourg on 29 June 1981, demonstrations took place in the grand-ducal capital in support of these demands. The ETUC put pressure on European employers to negotiate a framework agreement, an idea the latter refused to entertain, however. The Member State governments themselves appeared resigned to the rising unemployment. Faced with all these difficulties, 'we must learn from our defeats, rally ourselves and embark, once more, on the path of trade union action,' the new President, Georges Deburne, stated in his closing speech to the Congress, punctuating his address with the cry, 'Comrades, the ETUC must succeed!'.<sup>35</sup>

It is worth noting two more dates from this period leading up to the European revival. On 10 May 1981, the socialist François Mitterrand won the French presidential elections. From his very first European Council, held in Luxembourg in June that year, he declared himself in favour of establishing a 'European social area'. Finally, on 14 February 1984, the European Parliament adopted the draft Treaty on European Union presented by Altiero Spinelli, an Italian politician and proponent of European federalism. Although the Council failed to follow it up, this text would serve as a reference point for the European revival.

## 2.2. 1985-1991: Revival of the European project and fall of the Berlin Wall

The short period from 1985 to 1991 proved extremely eventful. While, with the conservative revolution, neo-liberalism appeared to be triumphing, it was a French socialist, Jacques Delors, who assumed the role of President of the European Commission in 1985. He would undertake a twofold revival of European integration, which concerned both its 'market'

elements, in particular the completion of the internal market by 1992, and its social aspects. It is impossible to mention this period without recalling that it also saw the enlargement of the Community to the former dictatorships of Spain and Portugal (in 1986), thereby completing the Mediterranean strand of European integration. Finally, this was the time of the fall of the Berlin Wall (1989), followed by the collapse of the Soviet Union (1991), later resulting in enlargement to the countries of Central and Eastern Europe.

### 2.2.1. 1985: The Delors ambiguity

In 1985, Jacques Delors, former Finance Minister in Pierre Mauroy's Government (under the presidency of François Mitterrand) arrived in Brussels to take up the post of President of the European Commission. His political dexterity and that of his colleagues made it possible to forge a specifically European path to economic recovery, while strengthening the Community's political and budgetary powers as well as its social dimension. It was not a question of turning away from the policies in vogue at that time, but of introducing an element of ambiguity: yes to the large European market, but with a social dimension; yes to corporate restructuring, as long as workers were informed and consulted; yes to the expansion of atypical forms of employment, but subject to negotiations under social dialogue etc.<sup>36</sup> (see box 7). In developing this new direction, the Commission had the support of the European Parliament, which pressed for a process of revival, while exerting pressure on certain Member States, in particular the Franco-German pairing (François Mitterrand and Helmut Kohl) and other founding countries that backed a more federalist approach to overcoming the crisis and improving integration. This new direction proved decisive. The completion of the 'common market', enshrined in the Treaty of Rome in 1957 but not yet fully realised, became the new goal.



**On becoming President of the European Commission, Jacques Delors introduces to European integration what some will later describe as a 'galvanising imbalance': yes to the large single market, but with a social dimension (seen here: Jacques Delors meets Emilio Gabaglio at the European demonstration on 2 April 1993).**

Source: ETUC

## Box 7

### **The Milan Congress (1985): Signs of a turning point**

In 1985, Europe's economic and social circumstances were showing no signs of improvement, in contrast to the United States 'where a shift towards expansionist policies has resulted in strong growth'.<sup>37</sup> In Europe, persistent mass unemployment was suddenly explained by a new argument: the inflexibility of labour markets. This argument underpinned fresh attacks by employers and governments on social rights and living standards. The ETUC sometimes had the feeling of being a lone voice in the wilderness. At its previous Congress, it had predicted that, unless there was a policy change, unemployment in Europe would rise to 18 million in 1985. The Milan Congress of 1985 could only conclude that, 'policies have not changed and the situation has worsened considerably'.<sup>38</sup>

Faced with governments' and the European institutions' unwillingness to budge, wedded as they appeared to be to monetarist arguments and austerity policies, the Executive Committee decided, from 1983, to launch campaigns to mobilise its members. Accordingly, the ETUC's capacity for action began to grow: trade union leaders made a tour of governments, 80 000 European trade unionists demonstrated in Stuttgart and a large-scale Conference on Employment was held in Strasbourg etc.

These actions were not without success: the Milan Congress noted, for instance, that the ETUC's proposals for a reduction in working time and in the area of public investment were attracting increasing attention, and even support from certain governments. 'Conservative governments' certainty that their policies were bound to work is beginning to falter.<sup>39</sup> However, the beginnings of this shift prompted 'liberal economists of the past to make a virulent counter-attack. Those who give the impression of never having truly accepted the policy of solidarity and social justice implemented under the impetus of the trade union movement and who wish to use the current crisis to destroy, once and for all, all trade unions and, with them, a pillar of our democratic system, are now openly accusing trade unions of being those really responsible for the crisis.'<sup>40</sup>

Nevertheless, another view on trade unions was beginning to make itself heard: on the fourth day of the Milan Congress, Jacques Delors, the new President of the European Commission, told delegates: 'We are going to put forward a programme for the realisation of a single market by 1992 and a full timetable for building a Europe of technology, from which the social and trade union component will not be excluded. Trade unions can count on us to keep the social dialogue going, as one of the foundations of a democratic society. The Commission will take measures to stimulate this dialogue.'<sup>41</sup> There is no knowing whether the audience immediately grasped the importance of these statements, which heralded the creation of the European internal market and, more than anything, the start of what would become genuine European social dialogue (see Chapter 4).

At the end of the Congress, a general resolution was adopted that set out the key trade union demands: an economic revival policy, public investment, industrial recovery and economic policy coordination, job creation and a reduction in working time, a reform of fiscal policies to ensure the provision of social services, education and training, and the improvement of working conditions. As Corinne Gobin has noted,<sup>42</sup> the Milan Congress marked a further departure: for the first time the ETUC adopted resolutions on non-European countries, namely South Africa and Nicaragua. With these resolutions, 'it ventured away from the field of trade union rights to condemn politicians [...] who were denying peoples the right to self-determination' (apartheid and US interference in Nicaragua). In so doing, it revived a characteristic element of European trade unionism: internationalism (see Chapter 9); even if the latter was obliged not to present itself as a rival to the two internationals, the ICFTU and the WCL.<sup>43</sup>



There were two other important and inter-related matters to be dealt with at the same time: the latest enlargement of the Community to include Spain and Portugal in 1986, thereby completing its Mediterranean expansion, and the far more mundane question of how to finance this enlarged Community. Enlargement to Spain and Portugal helped to ensure political stability and economic development in Mediterranean Europe. The Spanish situation was emblematic of this fact. Since their legalisation in 1977, Spanish trade unions and employers' organisations had supported their country's accession to the EEC, which, in their view, embodied the championing of democracy.<sup>44</sup> The Community had long been a place of asylum for the trade unionists banished by Francoism. They dreamed of a Europe not of merchants but of workers. At the beginning of the 1980s, the oldest Spanish trade union, the UGT, a founding member of the ETUC (see Chapter 1), led by Nicolás Redondo, believed Spain's non-involvement in European integration to be a mistake.<sup>45</sup> At that time, the UGT was firmly in favour of joining the common market sooner rather than later. The Comisiones Obreras (Workers' Commissions – CCOO) union agreed: according to Marcelino Camacho, its then General Secretary, the idea of a European political union, the sole means of establishing a truly social Europe, needed to be supported (see Chapter 3).<sup>46</sup>

In economic terms, however, this enlargement to Spain and Portugal did not take place without difficulty. The CFDT feared heightened wage competition in the south-west of France as a result of this enlargement, particularly in the agricultural sector. More generally, virtually all the Mediterranean regions of France and Italy appeared the most vulnerable to the changes this enlargement would bring: they suffered from high unemployment, an underdeveloped industrial base and service sector, and economies based primarily on agriculture, fishing, craft work and tourism. The arrival of Spain and Portugal was seen as a threat. Europe would address this issue by adopting regional development programmes in 1985 worth billions of euro: the Integrated Mediterranean Programmes (IMPs),<sup>47</sup> from which France, Italy and Greece would benefit. At the same time, it would double the budget for the Structural Funds (see below).

This question of the cost of enlargement was part of a wider issue, namely the need to increase the Community's own resources. A budget crisis had been building since the beginning of the 1980s, with the agricultural policy becoming increasingly expensive. Furthermore, following enlargement to the Mediterranean countries, with their unproductive farm-based economies, there was a risk that spending would rocket. Moreover, the Community's budgetary revenue, obtained in part from the customs duties imposed on imports, remained stagnant, as a result of international negotiations aimed at the worldwide 'dismantling' of tariffs. One year after enlargement, the Commission proposed an overhaul of the Community's financial system (known as the 'Delors package'), which set out to equip the Community with a multiannual financial framework for the period 1988-1993, with an expenditure ceiling of 1.20% of GNP (it should be noted that the financial framework for 2014-2020 does not exceed 1% of GNP). This financial framework governing expenditure provided for a new budgetary resource based on Member States' respective GNP. Above all, however, it envisaged a doubling of the monies allocated to the Structural Funds (European Social Fund and European Regional Development Fund) for the period 1987-1993. This made it possible to draft new policies designed to strengthen economic and social cohesion, to tackle regional disparities and to respond more effectively to the industrial, technological and scientific competition coming from the United States and Japan. All as part of the new structure that was emerging: that of the European single market.

### 2.2.2. The Single European Act and completion of the single market

The Commission White Paper ‘Completing the Internal Market’, which was published in June 1985,<sup>48</sup> (re)launched the ambitious idea of creating a fully single market within which goods, capital, services and persons could move freely. This White Paper included an action programme setting out in detail some 300 measures aimed at making this single market a reality by 1992. It was a question, more specifically, of removing any physical, technical or fiscal barriers preventing this freedom of movement.

This plan for a fully realised single market naturally had the support of employers’ organisations (UNICE and the European Round Table of Industrialists), at a time when commercial strategy tended towards large waves of mergers and acquisitions (increasingly, across borders). As for the trade unions, the ETUC and its members reacted to the White Paper just as they had in 1958 to the planned common market: with a ‘yes, providing that...’. An alternative strategy could have been ‘not unless...’, but the general feeling in 1985 was that it was better to remain on board with the internal market and to influence the process from inside than to risk being left behind and ignored. However, that did not mean that the ETUC was unaware of the risks inherent in the completion of the internal market. These risks related to employment, working conditions and workers’ standard of living, as well as the continued existence of trade union rights.

In order to realise the internal market, the Heads of State or Government, meeting at the Milan European Summit of June 1985, decided to set about revising the Treaty of Rome, which led, in 1986, to the signing of the Single European Act. With it, European economic and political integration took a leap forward. Countries such as the United Kingdom and Denmark welcomed the progress made with the internal market, while other countries, particularly those in the south, approved of the strengthening of policies aimed at economic and social cohesion; others still were pleased with the introduction of new policies on the environment, research and technological innovation. To improve the decision-making process for the adoption of the measures necessary for the completion of the single market, qualified majority voting was extended to a number of decisions. The Single European Act also represented social progress: it placed emphasis on economic and social cohesion within the future single market and on improved working conditions, introduced qualified-majority voting for the adoption of certain social directives, and envisaged new provisions governing European social dialogue (if not quite the introduction of negotiating procedures, which would come later, with the Maastricht Treaty – see Chapter 4).

The prospect of a single market also raised new fears for trade unions, however. It would undoubtedly create millions of jobs, but the Cecchini Report of 1988 on the ‘cost of non-Europe’ also highlighted the risk that a significant number of European businesses would disappear as a result of the scale of the structural changes. The growing economic dominance of multinationals (40% of world trade at that time was accounted for by transactions between multinationals) made it more necessary than ever to establish new institutions and structures capable of addressing the social issues connected with the changes under way. Although initially subscribing to the deregulatory approach, the Commission, with the backing of certain governments, would gradually ensure that the process of completing the internal market was accompanied by one of reinforcing the Community’s social dimension. This process was supported, with a critical eye, by the European trade union movement (see box 8), as reflected in the adoption of the Community Charter of the Fundamental Social Rights of Workers in 1989.



At the Stockholm Congress of 1988, the European trade union movement calls for a social programme to be formally adopted alongside the White Paper on the completion of the internal market.

Source: ETUC

**Box 8**

**The Stockholm Congress (1988):  
Revival of the concept of a 'social Europe'**

The Stockholm Congress was the first ETUC Congress to be held in a country that was not yet a member of the European Community – Sweden (which would join in 1995). Most notably, it took place at a time when the Commission, under the impetus of Jacques Delors, was preparing to complete the 'single market' by 1992. However, the social situation continued to deteriorate; unemployment just kept on rising. After the economic crisis had been attributed to the Welfare State and unemployment put down to the 'rigidities' of the labour market, now 'they are trying to make workers and their trade unions take responsibility for the rise in unemployment. It's unacceptable and is nothing more than an attempt to paint the victims as the perpetrators', the President, Ernst Breit, declared at the opening of the Congress.<sup>49</sup> If the ETUC had reason to rejoice in 1988, it was because a form of dialogue between employers and trade unions had been instituted at European level (see Chapter 4). It enabled the Confederation to push forward the discussion on a rethink of the Community's economic and social policy. There was an additional reason to celebrate: the European Council had decided to double the Structural Funds budget by the time of the completion of the internal market in 1992.

The internal market was at the very centre of the Congress's deliberations, not least its social dimension, as 'it is something upon which we all agree: there can be no question of a European Community of free trade and free economic relations in which social dumping is allowed. The danger such a development presents cannot simply be brushed aside,' the President continued. Congress delegates acknowledged that the process under way would force the national confederations to turn their attention to Europe to a greater degree than they had to date. Otherwise, 'the structures of the internal market will be turned against workers and their trade unions.' However, 'if the abolition of borders is to be accompanied by an abolition of – often hard-won – social rights, this Europe will be built without its workers'. It was for this very reason that the trade union movement called for a social programme to be adopted alongside the White Paper on the Internal Market.

One particular guest at the Congress, who had already been in attendance in Milan in 1985, listened attentively to these fears and demands. It was Jacques Delors, and he would respond in a speech that would not go unnoticed (including by employers, who would prove intransigent, even in the view of its author).<sup>50</sup> 'Europe, he stated, 'is probably the most promising prospect for growth and employment'. He went on to say: 'if the social cohesion of the common area is not assured, the

single market will not exist. Why? Quite simply, because both companies and workers, depending on where they are located, will not benefit from the same conditions of market access. Obstacles will soon appear. Some countries will block decisions. The social dimension [...] therefore needs to be recognised'.<sup>51</sup>

For the benefit of the Congress delegates, Delors broke this social dimension of the single market down into three specific aspects: social legislation on working conditions and health and safety, social dialogue, which needed to be renewed, and, finally, the social cohesion of the internal market. On this last point, the Commission President announced his intention to launch discussions on a minimum core of fundamental social rights (which would, in 1989, become the Community Charter of the Fundamental Social Rights of Workers), on workers' right to ongoing training and on the arrangements for worker participation in the future 'European company' (see Chapter 7). Having made these social commitments, Delors appealed to unions to support him in this project.<sup>52</sup> He would reiterate these commitments in Bournemouth (UK) on

8 September 1988, before the TUC Conference. 'It would be unacceptable for Europe to become a source of social regression', he emphasised, succeeding in reversing the British trade union's historical tendency to oppose European integration, to the great fury of Margaret Thatcher, the then occupant of 10 Downing Street. The same change in attitude would be observed among the trade unions of the EFTA Member States.<sup>53</sup>

The prospect of completing the single market and the convergence of the EEC and the EFTA – which would lead to the creation of the European Economic Area (EEA) in 1994 – would prompt the ETUC to campaign on the theme of a social Europe, culminating, on 18 October 1989, in the gathering of some 17 000 trade unionists in Brussels. This European revival helped the trade union movement to alter its dynamic. However, it would also give rise at the Stockholm Congress to a desire to reform the structures and Constitution of the ETUC to lend it greater force. This desire would translate into the 1991 reform, adopted at the Luxembourg Congress (see section 4 of Chapter 3 on this subject).

### 2.2.3. The Community Charter of the Fundamental Social Rights of Workers

At an informal meeting of labour ministers in May 1987, the Belgian Labour Minister, Michel Hansenne, whose country held the Council Presidency at that time,<sup>54</sup> proposed the idea of establishing a set of fundamental social rights in order to lend the internal market a genuine social dimension and to provide the social partners with a solid basis for negotiation. The clear inspiration for this idea was the Social Charter adopted by the Council of Europe in Turin in 1961, which had entered into force in 1965.<sup>55</sup>

In November 1988, Jacques Delors and his colleague Manuel Marín, the European Commissioner for Social Affairs, seized on this idea and asked not Parliament but the European Economic and Social Committee (EESC) to launch a general debate on the content of a Community charter of fundamental social rights. Following deliberations in committee, with François Staedelin from the CFDT acting as rapporteur, an opinion was adopted by a large majority of EESC members and forwarded to the Commission on 27 February 1989. On 15 March, the European Parliament approved the Commission's work programme for 1989 and called for a binding charter.

At this stage, the ETUC found the initiative an attractive one, but stressed that it still represented nothing more than a 'moral' undertaking: it was far from a core set of binding fundamental social rights, which needed to be guaranteed for workers by Community legislation. Opinion was essentially split on the legal foundations of social policy. In the ETUC's view, the legal basis on which the Community's social policy was to rest was too weak. The principles underlying it needed to include a balance between economic and social

development, along with social consensus as an essential condition of competitiveness. The European trade union movement used all its might to ensure that its demands were reflected in the text of the future charter. The DGB even issued threats: ‘without a minimum set of social rules, the internal market is not acceptable to workers, and the trade unions’ consent to the continuing process of economic integration will have to be re-examined’.<sup>56</sup> More than 17 000 demonstrators gathered in Brussels on 18 October 1989 to call for the trade unions’ demands to be taken into account.

The ‘Community Charter of the Fundamental Social Rights of Workers’ was finally adopted by the Strasbourg European Council of December 1989 – at least by 11 Member States, as the United Kingdom refused to sign it. However, the trade unions proved critical of the final text and were disappointed not to see any accommodation of their demands. As far as the ETUC’s Executive Committee was concerned, the adopted text was incomplete, its scope was too limited (it concerned only workers)<sup>57</sup> and, most importantly, it had no binding force. Nevertheless, the ETUC recognised that the next issue of importance would be the content of the action programme the Commission was drawing up in order to apply in practice the values set out in the Charter.

Indeed, in spite of its limitations, the Charter would help inject a degree of political impetus into the Community’s activities. In its social action programme, the Commission proposed 47 initiatives concerning health and safety at work, the labour market, employment and remuneration, living and working conditions, social security, collective bargaining, information and consultation of workers and gender equality, etc.<sup>58</sup> Meanwhile, the Court of Justice of the European Communities would refer to the Charter in the development of its case-law. Although not binding, this document therefore helped to strengthen workers’ fundamental rights.

### Box 9

#### Our role in Thatcher’s downfall

Following an address by Jacques Delors to the ETUC about the need for a social dimension to the European single market, the British TUC, hitherto sceptical about the European Community, invited President Delors to address the 1988 TUC congress. He gave a terrific speech, emphasising his social ambitions for Europe, and received an enthusiastic standing ovation. Mrs. Thatcher watched the speech on the BBC and was very angry. She apparently commented: ‘I have defeated socialism in Britain, now this man wants to reintroduce it.’

Three weeks later, in a speech in Bruges, she replied to President Delors and attacked the whole idea of closer European integration. This speech split her party and triggered a train of events which led to a challenge to her leadership. She lost. The TUC and the ETUC can claim a critical part in a famous victory.

– John Monks, former General Secretary of the ETUC

## 2.2.4. 1989-1991: From the fall of the Berlin Wall towards the Maastricht Treaty

The year 1989 was, of course, the year that saw the fall of the Berlin Wall and the great hopes – but also fears – that this unexpected event unleashed across the continent. The ensuing collapse of the Iron Curtain and end to the division of Europe gradually opened up the way for the democratisation of the countries of Eastern Europe. However, this opening



also prompted questions about the possible forms of European integration and cooperation among the reunited European countries.

One of the key issues for the trade union movement was for free and independent trade unions to be able to emerge and expand in this unified, democratic and social Europe (see Chapter 8 on this topic). Two weeks after the fall of the Berlin Wall, on 23 November 1989, the President of the ETUC, Ernst Breit, addressed the presidents and general secretaries of the affiliated trade union confederations to appeal for all Europeans to unite in the face of this event, as 'now [was] not the time for national rhetoric'. On behalf of the DGB, he stressed that European integration remained a condition of democracy and stability in Europe: 'we shall continue to pursue this objective within the ETUC. Now is the time to ensure that our aim of achieving a social Europe is adopted.'<sup>59</sup>

While the prospect of completing the single market had revived discussions of economic and monetary union (in line with the motto 'single market, single currency') and it had become apparent that it would be necessary to negotiate a new treaty to that end, European leaders found themselves under pressure, from events in Eastern Europe, to strengthen the political integration of the Community at the same time. These two chapters, 'EMU' (economic and monetary union) and 'PU' (political union) would form the basis for the negotiation of what would, in 1992, become the new Maastricht Treaty.

The opening of two intergovernmental conferences (IGCs – one on EMU and one on PU) entrusted with the task of negotiating this future treaty provided a new opportunity for the ETUC to seek to ensure the inclusion of its vision of a social Europe. In this, it was assisted to a certain extent by the unimpressive results of implementing the principles set out in the Charter of Fundamental Social Rights, as assessed by the Commission itself in March 1991. In its 'Contributions' to the IGC, the Commission underlined the lack of coherence and the ill-suited, anachronistic and incomplete nature of the Treaty provisions, which had affected the implementation of the social action programme. In view of the failure to ensure an adequate social dimension to the single market, the ETUC, in turn, pointed out that, if the Cecchini Report of 1988 had stressed the cost of a non-economic Europe, the cost of a non-social Europe could also be extremely high. This non-social Europe could prove an obstacle to the internal market, by aggravating nationalist and corporatist conflicts. The ETUC therefore sought to use the opportunity presented by the Treaty revision process to call, in particular, for the amendment of Article 100a and the deletion of paragraph 2 where it excluded the rights and interests of workers from qualified majority voting. It was from this legal basis that the first problems concerning the implementation of the Commission's social action programme had stemmed, notably with regard to the proposal for a Directive on 'atypical contracts'.

However, major disagreements arose during the intergovernmental negotiations on the Maastricht Treaty with regard to the social dimension of the single market, in particular between the United Kingdom's Conservative Government and the majority of other Member States. The former stubbornly opposed the development of any new social initiative. The only way out of this impasse was the drafting of a protocol annexed to the Treaty, which contained an 'Agreement on Social Policy' signed by just 11 of the 12 Community governments. This Agreement on Social Policy followed similar lines to the Charter of Fundamental Social Rights; it set out social policy objectives (employment, working conditions, social security and social dialogue, etc.) and laid the foundations for the development and practical implementation of a European social dialogue (see Chapter 4). The Maastricht Treaty, which would be signed in February 1992, also extended the Community's competences to cover education and vocational training programmes, health, aid for developing countries and consumer protection.

## Box 10

**The Luxembourg Congress (1991):  
Reforming the trade union movement  
in a changing world**

It was the theme of 'change' in a 'changing world' that undeniably shaped discussions at the Luxembourg Congress. The preamble to the general resolution approved on 17 May 1991 was divided into four chapters: 'The world is changing', 'Europe is changing', 'Work is changing' and 'Trade unionism is changing'. There was the First Gulf War, the beginnings of war in Yugoslavia, German reunification, the monumental changes in Eastern Europe and the collapse of the Soviet Union (which was just months away), but also discussions on the future structure of the Community, on the practicalities of introducing the single currency and on political union... Everything was changing, in fact.

Ensuring that these developments were directed towards achieving social progress and full employment was the mission the ETUC assigned itself. However, that required 'a strengthening of its political capacity, its negotiating role and its resources'.<sup>60</sup> A 'more effective' ETUC was needed. Accordingly, Gobin writes, 'this Congress took decisions of vital importance for the future of the ETUC. It was essentially the stage for the adoption of the most far-reaching reform of the Confederation's Constitution since its founding in 1973. The discussions were especially concerned with the ETUC itself, as the political changes that had occurred and were to take place around it were such that it needed to adapt or die.'<sup>61</sup> It would adapt, carrying out an extensive reform of its structures, procedures and

working methods: it improved the representativeness of its Executive Committee, admitted the European industry federations, transformed the Finance and General Purposes Committee into a Steering Committee and boosted staff numbers in the General Secretariat. A detailed account of this reform is given in Chapter 3.

In addition, Congress delegates adopted a series of specific resolutions, including on the subject of European immigration policy, education and training, gender equality, the work of trade unions within multinational companies and job insecurity. One theme slowly began to emerge: that of Europe-wide policies aimed at protecting the environment. Above all, however, the Luxembourg Congress provided an opportunity to underline the importance of the ETUC's role as European-level negotiator among its tasks, given the prospect that a real European social dialogue would take root (see Chapter 4). It was also to that end that the Confederation admitted the European Trade Union Committees – the future European industry federations – as full members.

Finally, the Luxembourg Congress also saw a complete change at the top of the ETUC. The President, Ernst Breit (DGB), was standing down after two terms; likewise, Mathias Hinterscheid (CGT-L), after holding the post of General Secretary for 15 years. Delegates elected Norman Willis (TUC) as President and Emilio Gabaglio (CISL) as General Secretary. In the latter case, it was the first time that the leader of a trade union inspired by Christian values had assumed the role of General Secretary of the ETUC.

The ETUC saw in this Treaty a number of threats. Firstly, the UK's refusal to commit to a European social policy, but also to economic and monetary union, was a major problem for it. Indeed, the social protocol signed by 11 of the 12 Member States was the minimum the ETUC was able to accept, in particular as regards the extension of the Community's powers. Important areas such as social security continued to be subject to unanimity. Another concern was one of the principles newly enshrined by the Maastricht Treaty: the famous principle of subsidiarity, according to which the EU may intervene only if the objective of the proposed measure cannot be sufficiently achieved at national level. UNICE would refer regularly to this principle, as a pretext for refusing to hold European-level negotiations as part of the social dialogue. The Treaty also provided for what was obviously a development of great interest to, but also a source of preoccupation for, the ETUC: the creation of

economic and monetary union, i.e. a single currency. The ETUC would follow very closely the process for achieving this economic and monetary union, regarding which it had concerns about institutional and political imbalances. One of its priorities, therefore, was establishing dialogue between the social partners and the European Central Bank (ECB), as its monetary policy would have an impact on collective bargaining and on salaries in the Member States belonging to the euro area.<sup>62</sup>

However, the Treaty's shortcomings notwithstanding, the ETUC recognised that Maastricht marked an important milestone: the launch of the single currency, the Agreement on Social Policy, the development of European social dialogue and the strengthening of economic and social cohesion. For that reason it supported this new phase of integration, while hoping that the planned revision of the Treaty in 1996 would provide an opportunity to correct the imbalances. In a statement adopted by its Executive Committee on 6 March 1992, it called on the European and national trade union movements to support the Treaty's ratification by 'participating actively in the public debate [...]. This participation must make clear the Treaty's limitations, as well as the trade union movement's concerns, in order to create the political conditions for the 1996 revision to lead to a more thorough rebalancing of the Union with particular regard to the social and democratic dimension'.<sup>63</sup>

### **2.3. 1992-2004: Enlargement... and deeper integration?**

The completion of the internal market and the launch of economic and monetary union both took place at a time of crisis for the economy and employment. This situation was heightened by the application, in those Member States wishing to be part of the euro area, of budgetary rigour and austerity in order to meet the convergence criteria that would determine which countries were 'selected' to join the euro. Furthermore, national ratification of the Maastricht Treaty proved more difficult than anticipated. In France, ratification was narrowly secured in a referendum, following debates that revealed a growing divide between the 'europeanised elite' and the general public. Denmark rejected the Treaty in a referendum in June 1992, but finally accepted it in a second referendum held in May 1993. The second half of the 1990s would see the emergence of a more favourable political climate in which to strengthen the social dimension of the EU: Europe, in which left-wing or centre-left governments now formed the majority, incorporated in the 1997 Amsterdam Treaty new European competences in the field of employment. And, in 2000, the EU and its Member States adopted an ambitious medium-term economic and social strategy: the Lisbon Strategy. Alongside this strategy, this period also saw the introduction of the euro and the launch of new negotiations for the adoption of a draft Constitutional Treaty. European integration appeared to have gained a second wind.

#### **2.3.1. 1992: The single market at a time of tension**

The economic and social climate in 1992 was far from healthy. The economic and unemployment crisis affecting the EU Member States was followed by the monetary crises of autumn 1992 and summer 1993. Amid the uncertainty surrounding the ratification of the Maastricht Treaty and the introduction of the single currency, the parity of certain currencies came under extreme pressure on the foreign exchange markets: the Italian lira was forced to exit the European Monetary System (EMS), followed by the pound sterling; it took the collapse of the exchange rate between the German mark and the French franc before

Finance Ministers in the Member States finally decided to increase the margins of fluctuation within the ERM significantly in order to deter speculators. Furthermore, unemployment rocketed; the atmosphere was one of confrontation between employers and trade unions. For the trade union movement, the main concern was obviously to ensure the survival of the European social model. Commenting on the 1991-1994 activity report, Emilio Gabaglio, the General Secretary of the ETUC, wrote that: 'Conservative forces and employers in general have led an offensive, at all levels, aimed at questioning social achievements in the name of competitiveness. The trade union movement's response, including at European level, has not only limited the damage but has also encouraged the adoption of less partisan positions. While the battle is not yet won, it should be noted that a growing number of voices, including the ETUC, are affirming that the European social model is a pillar of democracy with which it is impossible to tamper with impunity'.



On the ground, the ETUC kept up the pressure. On 2 April 1993, a European demonstration was held in Brussels at the same as 150 local events. Whether in the form of demonstrations, calls to strike, public meetings or assemblies of company representatives, each country adopted its own form of mobilisation as part of a joint action day. The ETUC estimated that a million workers had taken part, including beyond the EU's borders: Belgium, France, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain and the United Kingdom were joined by non-EU countries such as Austria, Bulgaria, Cyprus, the Czech Republic, Finland, Hungary, Lithuania, Iceland, San Marino, Slovakia, Sweden, and Turkey. At the same time, the ETUC organised two cross-border meetings: one in Maastricht, with its Belgian, Dutch and German members, and the other in Brussels, involving Belgian trade union organisations.

'We were addressing numerous issues,' Wim Bergans, then spokesman for the ETUC, explained. 'Alongside the completion of the single market came the Hoover relocation [Authors' note: the vacuum cleaner manufacturer moved its plant from Dijon to Scotland in 1993, the same year that the completion of the single market took place, raising fears that this single market would, above all, be used by companies to carry out social and fiscal dumping] and UNICE's refusal to negotiate on the issue of European works councils. We demonstrated with an old vacuum cleaner outside UNICE's headquarters.' The UK Representation to the EU and the European institutions were also targeted.

Throughout the ratification process for the Maastricht Treaty, the ETUC's concerns also extended to the programmes for the convergence of public finances, implemented by the Member States with a view to realising economic and monetary union. Placed under pressure by these programmes, governments were in fact imposing policies of rigour and austerity in order to achieve budgetary stability and reduce their public deficits to 3% of GDP and their government debt to less than 60%. According to the ETUC, policies of this kind needed to be negotiated with the social partners in each Member State; otherwise, the very existence of the Welfare State would be called into question. The ETUC consequently reserved particular criticism for the Spanish Socialist Government, which presented a decree reducing unemployment benefit in the name of meeting the requirements of EMU without having even consulted the social partners, at a time when this country's unemployment rate was dramatically high, with 24% of the working-age population out of a job. This sort of policy was at serious risk of provoking the rejection of a Europe portrayed in such a negative and erroneous light.<sup>64</sup>



In 1993, the year the 'single market' is completed, the vacuum cleaner manufacturer Hoover relocates its factory from Dijon to Scotland. The single market cannot be used for the purposes of social and fiscal dumping, the ETUC protests, while demonstrating outside the headquarters of the European employers' organisation with an old vacuum cleaner.

Source: ETUC

### 2.3.2. A troubled ratification process

This negative image came on top of a real crisis of confidence within the EU, a sort of 'post-Maastricht blues'. The transfer of sovereignty that the Treaty entailed made the ratification process slow and difficult in some cases. There were lively political debates; Europe was increasingly presented as an opaque bureaucracy that was undemocratic and irresponsible. For its part, the ETUC called on its member confederations to support ratification of the Treaty. Indeed, it was convinced that even if the Treaty had not met all the trade union movement's expectations, it was still beneficial in several respects for economic and social cohesion and the Community's social policy, including with regard to the social protocol and the agreement of the 11.

On 2 June 1992, a bombshell descended, as the referendum in Denmark delivered a 'no' vote. The ETUC saw this as a very serious warning; however, it believed that the Community should press ahead and that the ratification of the Treaty should continue, if only to give Denmark the chance to join the other countries at the end of the process. The Danish rejection, but also the debates building in other European countries, made it necessary to lend greater visibility to the Community's social and democratic dimension. The ratification process continued in the other Member States throughout the summer of 1992. In September, the French referendum desired by President Mitterrand saw the 'yes' vote prevail, but it was a far narrower victory than expected: 51% in favour and 49% against. This referendum revealed a real split in French public opinion when it came to Europe.

In terms of the Danish situation, a solution was found at the Edinburgh European Council of December 1992, which granted the country exemptions in a number of areas requiring the transfer of sovereignty. These opt-outs would enable a 'yes' result to be achieved in a second referendum, held in 1993. Overall, the troubled Treaty ratification process in Denmark and France, along with numerous controversies in countries such as the United Kingdom and Germany, strengthened the ETUC's belief that it was vital to offer the public a message of hope and to gain the support of European workers by placing emphasis on the social model, social security and the defence of public services. The Maastricht Treaty finally entered into force on 1 November 1993 and irreversibly set in motion the process leading to economic and monetary union.



### 2.3.3. In pursuit of growth, competitiveness and employment

In 1993, as Jacques Delors was coming to the end of his third term at the Commission, he launched an important initiative in favour of employment in the form of a White Paper entitled 'Growth, Competitiveness, Employment: The Challenges and Ways Forward into the 21<sup>st</sup> Century'.<sup>65</sup> This document was adopted by the Heads of State or Government at the Brussels European Council of December 1993. It proposed tackling unemployment by embarking on major European infrastructure projects (transport, energy, the information society etc.), introducing greater flexibility to job markets and adopting a growth model more geared towards creating jobs and protecting the environment. The White Paper suggested, in particular, setting a specific objective to create 15 million jobs within five years (although the Heads of State or Government failed to retain this objective).

Generally speaking, the ETUC supported this initiative, which was the subject of much debate within the Executive Committee. The White Paper, it pointed out, 'sets out to achieve an ambitious goal: defining a medium-term European project to secure economic and social renewal [...]. This undertaking should be based on the indisputable achievements of European integration, not only in terms of economic and social development, but also as an area of stability and peace for our peoples.'<sup>66</sup> The ETUC's support was tempered with criticism, on the one hand, because the ability to pursue the various channels of action was hampered by the fact that the Member States were busy reducing public spending with a view to economic and monetary union. At the same time, some of the proposed labour market reforms were liable to curtail workers' rights without improving the quality or quantity of jobs.<sup>67</sup>

In 1995, the Luxembourgier Jacques Santer succeeded Jacques Delors as President of the European Commission. He attempted to build on his predecessor's efforts to boost employment and, to that end, presented a Confidence Pact for Employment in 1996. This pact aimed to launch a collective venture involving the public authorities and the social partners in a coordinated, comprehensive and detailed strategy, incorporating the fight against unemployment in a medium- and long-term view of society and making better use of the multiplier effect.<sup>68</sup> It met with a negative response from employers (UNICE), which explains why its actual results in terms of reducing unemployment would prove unconvincing. That said, the Santer Pact would serve as a blueprint for the future European Employment Strategy.

### 2.3.4. Preparing the institutions for enlargement

A new round of EU enlargement also took place in 1995, with the accession of Austria, Sweden and Finland bringing the number of Member States from 12 to 15. Most importantly, however, with the signatures on the Maastricht Treaty barely dry, the 15 Governments gathered once more to revise this brand new Treaty.

Initially, the revision of the Maastricht Treaty was essentially a question of streamlining decision-making procedures in response to the future prospect of extending membership to the countries of Central and Eastern Europe, the Baltic States, Cyprus and Malta, and of working on issues related to security and defence and energy. However, two factors would transform this modest agenda: on the one hand, the rise to power of left-wing and centre-left governments wishing to make use of this Treaty revision to include more ambitious social provisions, and, on the other hand, the controversy surrounding the ratification of the Maastricht Treaty, the conclusion drawn from which was the need to 'bring Europe

## Box 11

**The Brussels Congress (1995):  
Putting employment and solidarity  
at the heart of Europe**



The social backdrop to the Brussels Congress, held from 9 to 12 May 1995, was one of the most troubled. Twenty million Europeans were out of work. The 'single market' established in 1992 had been supposed to create 15 million jobs, but that was a far-off dream. In the absence of any social or fiscal harmonisation within this single market, competition between businesses, but also between social models and tax regimes, was heightened; relocations were on the increase and certain forms of social dumping were being carried out. The Member States, meanwhile, were involved in a race to achieve budgetary convergence in order to be selected for the single currency (which, in practice, meant programmes of public spending cuts). The European social model was being attacked on all sides. 'The very aim of European integration has suffered a great deal as a result and its credibility in the eyes of workers and the public has diminished', the General Secretary, Emilio Gabaglio, commented at the time.<sup>69</sup>

Some more positive developments meant that all hope was not lost, however: the implementation of Jacques Delors's White Paper – in spite of its ambiguities (see above) – the adoption of the Directive on informing and consulting workers in 1994 (see Chapter 7) and the first steps towards European social dialogue, opening up the prospect of framework agreements (see Chapter 4). In the general resolution adopted at this Congress, the demands were manifold: the stepping up of multilateral scrutiny of employment policies, the creation of an industrial policy, a fiscal strategy, sustainable development, a strategy to tackle exclusion, the consolidation of public services, the right to training and a reduction in working time etc. To some it was rather a mishmash of a list<sup>70</sup>...

Most importantly, the Member States had recently agreed to revise the Maastricht Treaty (see below). It was an opportunity for the ETUC to make sure that the labour movement once again had its say in the European institutional debate. The Congress consequently adopted an important resolution entitled 'For a strong, democratic, open and solidarity-based European Union'. This text would serve as a reference document for the trade union movement's vision of the EU's future. According to Emilio Gabaglio, it was the best internal compromise between federalists and sovereignists. In it, the ETUC called for deeper EU integration in order to meet the challenges of development and social progress, but without 'unwarranted and excessive centralisation of decision-making'; it demanded that a real social Union be built through the genuine convergence of economies within the EMU, but also through the upward harmonisation of objectives as regards labour law and social protection, so as to 'prevent social devaluation among the Member States'.

closer to citizens'. Accordingly, on 29 March 1996, the 15, meeting in Turin, launched the Intergovernmental Conference (IGC) that would lead to the signing of the Amsterdam Treaty on 2 October 1997. This new Treaty strengthened provisions on common foreign and security policy, improved the workings of the EU institutions, albeit not to the extent required (which would necessitate further Treaty revisions), and introduced the principle of enhanced cooperation to enable those Member States who so wished to establish closer mutual cooperation by making use of the EU's institutions and methods.

The Treaty of Amsterdam brought a number of innovations benefiting social policy and citizens. First of all, it put an end to the UK's opt-out from the social agreement (see above): Tony Blair's New Labour Government, which had just won the 1997 general election, withdrew British opposition and authorised Europe to make this agreement an integral part of the Treaty. The Amsterdam Treaty was also innovative as regards fundamental rights. It provided, in effect, for penalty procedures in the event of a serious and persistent infringement by a Member State of the principles of democracy and respect for human rights. The new Treaty addressed discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. Last but not least, the Amsterdam Treaty incorporated new provisions concerning employment policy and efforts to tackle unemployment. For the first time, the Member States '[regarded] promoting employment as a matter of common concern' and consequently undertook to draw up a coordinated strategy for employment. This would later become the European Employment Strategy.

Even after the conclusion of the Amsterdam Treaty, the agenda in the late 1990s was still extremely packed: on 31 March 1998, accession negotiations opened with six countries (Cyprus, Estonia, Hungary, Poland, the Czech Republic and Slovakia); on 1 January 1999, the euro conversion rates were irrevocably fixed for 11 Member States;<sup>71</sup> on 15 March 1999, the Commission was obliged to resign following a parliamentary report on allegations of fraud, mismanagement and nepotism on the part of certain Commissioners (the President, Jacques Santer, was replaced by the Italian Romano Prodi); and on 15 February 2000, accession negotiations were opened with an additional six countries (Malta, Latvia, Lithuania, Slovenia, Romania and Bulgaria).

The ETUC, meanwhile, continued to make employment its priority (see box 12) and was also working to champion fundamental rights, rights that were newly recognised by the Amsterdam Treaty. One of the political priorities at its ninth Congress, held in Helsinki in 1999, was to promote 'new rights at work'; in particular, it demanded the recognition by the EU of the right to cross-border sympathy action, including strikes.

## Box 12

### **The Helsinki Congress (1999): Trade union policy and a European system of industrial relations**

While economic and monetary union (EMU) had become a reality in 1999, with the introduction of the euro, it was now the emergence of a genuine system of economic and social governance that the ETUC wished to see. The imbalances of EMU as laid down in the Maastricht Treaty had long been criticised by the trade union movement: among the European Central Bank's tasks, the priority given to price stability was not balanced by aims of achieving economic growth and reducing unemployment; the objectives of 'consolidating' national public finances had been set in

a peremptory manner, without taking account of the economic circumstances or the benefits, in certain cases, of public investment; and the Member States were incapable of coordinating effectively their fiscal and social policies etc. The architecture of this economic and monetary union was also incomplete: the general resolution adopted by the Helsinki Congress noted, with perspicacity, that 'in order to provide assistance to a Member State in the event of a local crisis (asymmetric shock) the EU should create a stabilisation fund to complement the national-level instruments'.<sup>72</sup> It was 1999; it would take the euro crisis of 2010-2012 for the Heads of State or Government to recognise the need for a fund of this kind (and set up the European Stability Mechanism).

The Helsinki Congress focused in particular on the new context provided by economic and monetary union and its social implications. The main topics of discussion were consequently the future of the European social model, 'economic government', social cohesion, the future of social protection and new rights at work. In addition, of course, to the prospect of EU enlargement to the countries of Central and Eastern Europe, the Baltic States, Cyprus and Malta, globalisation and the institutional challenges.

It was against the backdrop of an increasingly integrated Europe that Congress delegates adopted a declaration on 'European Trade Unions without Borders', in which member organisations undertook to guarantee and uphold workers' rights when the latter were posted to another country, 'irrespective of their original trade union affiliation'. In other words, they pledged to recognise and provide cross-border trade union protection for European workers.

Another important resolution adopted in Helsinki called for a 'European system of industrial relations'. The ETUC viewed the development of a system of this kind as increasingly necessary. A priority for economic and monetary integration should be to improve living and working conditions; to that end, Europe needed to embark on building a 'social union', with a European system of industrial relations at its heart.

The latter would consist of the following six components:

1. social regulation, in order to build on the social acquis (through the mutually complementary approach of legislation and framework agreements);
2. the strengthening of social dialogue, at both cross-industry and sectoral level;
3. an employment pact, i.e. a political commitment to ensuring high levels of employment and high-quality jobs;
4. coordinated collective bargaining (to guarantee the overall coherence of national trade union demands and to support the federations in their initiatives) (it should be noted that it was at Helsinki that the proposal was first made to set up a committee for the coordination of collective bargaining within the ETUC);<sup>73</sup>
5. European works councils (for informing and consulting workers, and enforcing social standards in the event of restructuring or changes to a company's objectives);
6. the Europeanisation of trade unions (by consolidating national trade union structures and introducing cross-border trade union protection – see above).

The creation of a European system of industrial relations of this kind would remain at the heart of the European trade union movement's demands.



In March 2000, the ETUC launched a campaign entitled 'Fundamental Rights: The Heart of Europe' in collaboration with the Platform of European Social NGOs and with the support of the EU. While the European institutions were preparing to proclaim the EU Charter of Fundamental Rights, drafted by the Convention, at the Nice European Council (of 7 to 9 December 2000), the ETUC organised a European demonstration on the eve of that occasion, in which almost 80 000 workers called for the Charter to be incorporated in the Treaty, thereby granting it binding legal effect. However, the ETUC would be left disappointed (it would have to wait until 2009 and the entry into force of the Lisbon Treaty before the Charter would be given the same legal value as the Treaties,<sup>74</sup> see Chapter 6).

### 2.3.5. Competitiveness, enlargement and deeper integration

At the dawn of the new millennium, having notched up a single market and a single currency, Europe was getting ready to confront three major new challenges: becoming the most competitive knowledge-based economy in the world (the Lisbon Strategy 2000-2010), admitting virtually all the countries of Central and Eastern Europe and adopting what amounted to a European ‘Constitution’.

With regard to economic and social matters, the Heads of State or Government, meeting at the Lisbon European Council of 23 and 24 March 2000, set a new strategic objective for the Union: ‘to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion’. The European Council counted on the coming together of economic and social objectives (an environmental dimension would be added at the Göteborg European Council of June 2001). Thus it was that the Heads of State or Government launched the ‘Lisbon Strategy’, a 10-year (2000-2010) programme introducing a new method of work: the open method of coordination (OMC). The OMC, which differed from the classic EU approach, was intended to allow national examples of best performance to be shared in a variety of areas, in particular as regards social issues, such as employment (through the European Employment Strategy), efforts to tackle social exclusion and poverty, but also pensions, health care, education and innovation etc. One of the aims was to preserve and develop the European social model in the context of globalisation. The ETUC, while still critical, generally supported this Lisbon Strategy, which required the Member States to co-ordinate their policies more effectively. However, in the course of its implementation, important opportunities to strengthen the social model would be missed.

#### Box 13

##### **The Prague Congress (2003): Towards an enlarged and more integrated European Union**

From 26 to 29 May 2003, 30 years after it was founded and for the first time in its history, the ETUC held its Congress in a former ‘Eastern Bloc’ country: the Czech Republic. A matter of months before the eastward enlargement of the European Union became reality, the symbolism was intentional. However, it was not so much enlargement that was at the top of the agenda as the drafting of the trade union action programme. There was a great deal going on at the time: the European Convention and the prospect of a Constitutional Treaty, implementation of the Lisbon Strategy and lively debates on the Stability and Growth Pact, while the single currency had recently gone into circulation...

Congress delegates’ discussions centred on six topics: the trade union vision of Europe, the economic and social model, expanding and reinforcing European industrial relations, globalisation, strengthening the ETUC and European trade union identity, and an equality plan to ensure better integration of women within trade union structures. In reality, the discussions appeared to seek, above all, to bolster the catalogue of demands adopted at the last Congress in Helsinki.<sup>75</sup> Internal debates were becoming ever more heated: following multiple disagreements (on the composition of the future leadership, the question of a rise in contributions, and the scale of the ‘ambition’ of the preparatory documents), the Belgian socialist trade union the FGTB decided to boycott the Congress. The decision of a founding member of the ETUC to adopt an empty-chair policy raised questions. For its part, the FGTB wished to launch a debate on the fundamental strategies of the European trade union: was its chief aim representation (or lobbying), or action? Was it a pressure group or a mobilising force?



In view of the diversity of the trade unions<sup>76</sup> the ETUC encompassed, no definitive answer could be given. As some authors have noted, 'there is no single strategy that works well for all union movements, irrespective of national context; the same strategy is likely to produce different results in different countries'.<sup>77</sup> The idea that the ETUC had somehow 'lost its soul' with successive enlargements (both ideological, with the admission of Christian and communist organisations, and geographical, to include organisations from 35 countries) and that it was split between two camps – one formed by the German, British, Dutch and Scandinavian organisations and the other by organisations from Belgium, France, Luxembourg, Austria and the Mediterranean countries – is hardly convincing. After all, almost all the countries mentioned had been among the ETUC's founders in 1973-1974. This 'divide' was far from new and was the reason for the ETUC's existence, its aim being precisely to overcome these differences.

The Prague Congress closed with the reassertion of its action programme and demands with a view to the enlargement and further integration of the European Union. 'In the light of enlargement, what is needed is therefore more Europe and the ETUC expects the

European Convention to deliver a Constitutional Treaty which lives up to these challenges and gives the Union democratic, effective and transparent institutions, based on active European citizenship rights,' it stressed.<sup>78</sup> Internally, it was virtually all change at the top of the organisation. After 12 years in the Secretariat, the Italian Emilio Gabaglio (CISL) passed the baton to the United Kingdom's John Monks (TUC), the new General Secretary. In the role of President of the Confederation, the Austrian Fritz Verzetnitsch (ÖGB) made room for the Spaniard Cándido Méndez (UGT).



**The first ETUC congress in a former Eastern Bloc country: the Prague Congress of 2003 reaffirms its priorities as the EU prepares for enlargement to the countries of Central and Eastern Europe.**

Source: ETUC

The enlargement of 1 May 2004 was the biggest expansion the European Union had ever known. In welcoming Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, the Europe of 15 became the Europe of 25. The ETUC, itself already ‘enlarged’, welcomed warmly, on this first of May, the arrival of 10 new Member States. It saw an historic opportunity to unite (almost) all the nations of Europe around the fundamental values of democracy, peace and liberty. This enlargement marked an end to the painful divisions that had split the continent since the end of the Second World War (in 2007, Romania and Bulgaria would also become part of this Europe, which covered 27 countries, followed by Croatia in 2013).<sup>79</sup>

It may have been reunited politically, but the continent remained divided as regards levels of development, working conditions and economic performance. The EU’s area had increased by 25% and its population by more than 20%, but its wealth by only about 5%. The statistical effect meant that the average GDP per capita in the EU fell by more than 10% and regional disparities doubled in size. In this new context, the ETUC called for decisive political action to improve social and employment standards in the countries of Central and Eastern Europe, as well as to boost the potential for growth and efforts to tackle the regional disparities. At the same time, it fully supported the principle of the free movement of workers from the new Member States, which represented one of the four basic freedoms of the internal market. However, several ‘old’ Member States (Germany, Austria, Belgium etc.) would demand transition periods for the free movement of workers. In the ETUC’s view, where these transitional periods were deemed necessary, their duration should be kept as short as possible (see Chapter 8).

Furthermore, as previously stated, this historic enlargement made it necessary to ensure that the European institutions remained capable of taking decisions and to improve the way they worked. Several changes had been made to the founding Treaties (through the Amsterdam Treaty of 1997 and the Treaty of Nice of 2001). These changes proved insufficient, however. A more thorough institutional reform was required.

To that end, a new Treaty revision process was launched, this time involving a number of new participants, including representatives of civil society. They formed a ‘Convention’ set up on 1 March 2002 and headed by the former French President Valéry Giscard d’Estaing. As a social partner, the ETUC was granted observer status, which was seen as an acknowledgement of its role.<sup>80</sup>



The Convention would continue its work until July 2003. On the basis of that work, the extraordinary European Council held in Rome on 3 October 2003 convened a new Intergovernmental Conference (IGC), which would have the task of producing a draft European Constitutional Treaty. The ETUC was represented in Rome, where it organised a large-scale European demonstration in cooperation with Italy’s main trade union confederations, in which some 100 000 people took part. The aim was to exert pressure on the IGC to include a strong social dimension in the future Constitutional Treaty. The ETUC was in favour of the majority of the chapters of the document produced by the Convention, in particular those defining the Union and its objectives, and the chapter on institutions. It welcomed the

fact that the role of the social partners had been given greater recognition, even if the text could have gone further still. At the same time, the ETUC believed that improvements

needed to be made with regard to the coordination of economic and employment policies, that a more effective decision-making process was required, especially in the areas of social policy and gender equality, and that the objective of ‘full employment’ should be included in the chapter devoted to employment policy. The draft Constitutional Treaty was signed by representatives of the Member States on 29 October 2004. In theory, it was to enter into force on 1 November 2006.

For the ETUC, this text was an improvement on the Treaty of Nice, in force at the time, but less satisfactory than the text produced by the Convention. It naturally also lacked the ambition of its own proposals. The Executive Committee’s verdict was as follows: ‘It is clear that the ETUC and its affiliates did not achieve all our goals. But nevertheless, we achieved the maximum possible in the given political, social and economic situation during the 18 months of the Convention and the 12 months of the IGC. Therefore the ETUC supports the Constitution – despite its limits – because the advantages the Constitution brings for working people and citizens are real and certainly an improvement over the present provisions’.<sup>81</sup>

## **2.4. 2005-2013: Europe in turmoil**

In 2005, however, the European Constitutional Treaty proved unable to withstand the test of ratification. Its rejection in France and the Netherlands marked the start of a political crisis that would finally be overcome when the Lisbon Treaty was pushed through in 2007. This political crisis was followed almost immediately by the beginning, in 2008, of the worst financial, economic and social crisis the EU had ever known. In a historical irony, instead of becoming the most competitive knowledge-based economy in the world in 2010, as was the aim of the Lisbon Strategy, Europe could claim to be the sickest economy on the planet. Banking crises, poor growth, recession, public finance woes, bankruptcy, unemployment and political crises would become almost the default setting in the majority of EU Member States in the years 2010-2013. The austerity policies implemented throughout Europe at the EU’s urging exacerbated unemployment and caused the crisis to linger. This situation would provoke intense conflict between the European trade union movement, the European institutions and Member State governments.

### 2.4.1. From the Constitutional Treaty to the Lisbon Treaty

While the ratification of the Constitutional Treaty was proceeding at a good pace, 18 Member States having already successfully completed the process, disaster suddenly struck. In the referendum held in France on 29 May 2005, the population voted to reject this European ‘Constitution’. Three days later, on 1 June, the referendum in the Netherlands sealed its fate. With such a development occurring in two founding Member States of the European Union, the crisis was huge. The Constitution was criticised for being too liberal, for setting in stone the principles of a market economy and undistorted competition, but it was also accused of being too interventionist, for not respecting national sovereignty. This crisis, described by Jacques Delors as ‘the most serious’ in the history of European integration, was notable for being both a crisis of legitimacy and of motivation.

For reasons of consistency and credibility, the ETUC did not withdraw its support for the text. No provision had been made for a failure to ratify the Constitution; there was no convincing Plan B. The DGB put a proposal on the table. In the first half of 2007, with

Germany holding the EU Council Presidency, the German trade unions proposed calling on the European Parliament to play a key role in drafting a more social constitutional document. European citizens would then have their say on the text in a referendum. However, the question was, of course, how to persuade the Member State governments to grant the European Parliament this kind of power. In spring 2007, France, under Nicolas Sarkozy, proposed turning the Constitution into a 'mini-treaty' or 'simplified' treaty, from which the Charter of Fundamental Rights, amongst other things, would be removed. This proposal naturally could not win the support of the ETUC, which considered the Charter an essential part of the Constitution.

The fate of the process was finally decided, under German steam, at the Brussels European Council of 21 and 22 June 2007. The Heads of State or Government gave an Intergovernmental Conference (IGC) a mandate to draft a 'Reform' Treaty that would incorporate within the existing Treaties the main technical and institutional changes provided for in the Constitutional Treaty. This Reform Treaty was essentially drafted by legal experts during the summer of 2007, formed the subject of a political agreement concluded by the Heads of State or Government in October and became the 'Lisbon Treaty'. Signed on 13 December 2007, it entered into force on 1 December 2009, following its ratification by all 27 of the Member States.

In practice, the Lisbon Treaty included most of the changes contained in the draft Constitutional Treaty. However, the constitutional element was discarded: there was no longer any mention of European 'laws' or a 'European Foreign Minister', and the reference to the symbols of the EU (its anthem, flag, etc.) was deleted. Nevertheless, it introduced a stable European Council Presidency, created the post of High Representative of the Union for Foreign Affairs and Security Policy, strengthened the decision-making mechanisms and established citizens' right of initiative. The Charter of Fundamental Rights was removed from the Treaty. However, an explicit reference to it gave it the same legal value as the Treaties, in 25 Member States at least (the United Kingdom and Poland refused to allow the Charter to be made binding).

The ETUC declared its profound disappointment in the Lisbon Treaty and its diluted content. However, it was pleased to see an end to the period of European paralysis triggered by the French and Dutch referendums. For the trade union movement, the most important achievement of the whole process was the fact that the Charter of Fundamental Rights now guaranteed a binding set of rights, including social rights, even if it was unfortunate that two countries, the United Kingdom and Poland, had opted out of this arrangement. This widespread recognition was likely to mean real progress, in particular as regards the interpretation of the Treaty provisions concerning the internal market and the unbalanced rulings of the Court of Justice of the European Union in the Viking, Laval, Ruffert and Luxembourg cases (see Chapter 6). The ETUC stated, at the time, that: 'the new Treaty provisions must now also be applied to strengthen Europe's social dimension in the new framework of a social market economy, which replaces the open economy of the Nice Treaty. We insist that this new perspective be translated into concrete actions to deal with the crisis and mounting unemployment. The ETUC in particular will be campaigning for robust action to deal with youth unemployment that is reaching catastrophic levels in many countries, and in defence of our public services that must not pay the price of the financiers' mistakes.'<sup>82</sup> Indeed, between the signing of the Lisbon Treaty and its entry into force in 2009, Europe was hit by a financial, economic and social tsunami...

## 2.4.2. The crisis of casino capitalism

Until 2007, the economic outlook had been generally favourable. Unemployment was falling and inflation seemed to be under control, in spite of the rising cost of raw materials. Nevertheless, showing a great deal of foresight, the General Secretary of the ETUC, John Monks, denounced, at the Seville Congress of 21 to 24 May 2007, the rise and supremacy of 'casino capitalism', which the EU's policies of deregulation or 'light-touch' regulation had consistently encouraged (see box 14). 'The market imperfections and implications of non-transparency, asymmetric information, enormous growth in leverage, short-term financing, tax evasion, systemic risks on financial markets, and increasing vulnerability of public companies after the involvement of private equity funds' were all developments condemned at the ETUC Congress<sup>83</sup> just a few months before the collapse of this system, which owes its salvation to government rescue plans on both sides of the Atlantic.

### Box 14

#### The Seville Congress (2007): On the offensive...



On 21 May 2007, the Seville Congress began in what appeared to be a favourable economic climate, but in which there were major social concerns: public opinion was increasingly resistant to the task of European integration and workers saw it as a threat, while the Lisbon Strategy seemed to have turned into a deregulation strategy, job insecurity was worsening and inequalities were once again becoming more pronounced... In addition, environmental issues, in particular the emergence of global warming as a major problem for society, helped create an atmosphere of uncertainty: what was the future for industry (and jobs); how could Europe alter its energy and transport policies; how could the system of production be adapted?

As far as 'social Europe' was concerned, the EU, and the Commission in particular, appeared to have an unshakeable faith in deregulation. As the Seville Manifesto, adopted at the Congress, pointed out, social Europe had become 'a casualty of the overriding belief in deregulation. Virtually no new legal measures to support European workers have been introduced over the past 4 years'.<sup>84</sup> This deregulation was being applied in just as extreme a manner to another sector: the finance industry. In Seville, the ETUC condemned what it referred to as 'casino capitalism', which was reflected, *inter alia*, in financial investors' increasing tendency towards short-termism, with risk capital and hedge funds etc. that essentially treated companies as instruments for speculation, at a time when there was an urgent need for investment in new products and sustainable development, in green technologies and the transition to them. However, faith in rationality and self-regulating markets meant that political and economic leaders were virtually deaf to this sort of talk.

It was these circumstances that prompted the ETUC to 'go on the offensive'. The battle would be fought on five fronts: achieving a genuinely European labour market with a strong social dimension; social dialogue, collective bargaining and worker participation; effective economic, social and environmental governance; a stronger European Union; and more powerful national and European trade unions.



Another subject was under discussion, behind the scenes at the Congress, at least, and probably to a lesser extent on the rostrum: a European minimum wage. The evidence was clear: in many countries, the share of wages in the gross domestic product was falling; the pay gap was growing ever wider; the lack of a minimum wage in certain Member States was encouraging downward wage competition; and in some countries, migrant workers were being used to prevent a rise in real wages among semi-skilled or unskilled workers. These widely circulated findings led the question of a European minimum wage to be raised, albeit very cautiously, as Anne Dufresne noted, since this was a sensitive issue.<sup>85</sup> Behind the scenes, 'the Germans, campaigning for a cross-sector minimum wage in their own country, were the main drivers of the debate on the [European minimum wage]. [...] Trade unionists from the Confederation of German Trade Unions (DGB) received particular support from trade unionists from two other large countries, France and the United Kingdom, as well as the European Federation of Public Service Unions (EPSU), which had launched a campaign against low wages in

2006. Scandinavian and Italian trade unionists, on the other hand, firmly refused to go down this road, fearing the loss, to the State, of union negotiating power. The European Metalworkers' Federation (EMF) likewise considered the demand 'ill-timed and premature'. Opponents feared that wages would be dragged down in places where conditions were more favourable.'<sup>86</sup>

This difficult discussion nevertheless led to the adoption of a statement on 'minimum wages, equality and collective bargaining', in which the ETUC expressed its support for union campaigns for effective minimum wages in those countries where the unions considered them necessary, and stated that those unions that did not require legally established minimum wages should set targets to close pay gaps, and that consideration should continue to be given to joint campaigns in favour of minimum wages and income, as well as in favour of collective bargaining strategies. It was the first time that an ETUC Congress had succeeded in reaching a common position on this matter, even if, as we have seen, the wording remained extremely cautious.

From 2007, the European trade union movement exerted pressure to ensure that the particularly nefarious aspects of casino capitalism were addressed by legislation, regulation, taxation and worker participation. The ETUC also called on the European Central Bank (ECB) to 'defend growth and jobs' by lowering its key interest rates. On 5 April 2008, it held a large-scale demonstration in Ljubljana, Slovenia, alongside the ZSSS (the Association of Free Trade Unions of Slovenia) – the first demonstration of this kind in a country of Central or Eastern Europe – to protest against the stagnation in salary levels and rise in inequalities. A total of 35 000 demonstrators from around 30 countries responded to this call. John Monks, General Secretary of the ETUC, said at the time, 'this demonstration [Authors' note: in favour of greater equality of pay] is guided by anger and real determination. Our absolute priority is to obtain fairer pay for workers across Europe'. Since 1995, wages had fallen as a share of gross domestic product (GDP) in the majority of EU Member States, while profits had consistently risen. The ETUC had worked out that company executives were earning up to 300 times as much as their employees, 30 million of whom received poverty-line wages, while a 15% pay gap still separated men and women.<sup>87</sup>

A few months later, on 15 September 2008, the investment bank Lehman Brothers filed for bankruptcy in the United States, as a result of losses incurred on the subprime lending market,<sup>88</sup> marking the start of a tidal wave in the financial and banking sectors that instantly swept across Europe. This financial crisis became the worst the world had known since 1929. One of its causes related precisely to what the ETUC had strongly condemned, namely the constant weakening of workers' purchasing power, compensated by excessive recourse to loans without sufficient guarantees (subprime loans), and a glaring lack of regulation of the financial industry. In the urgency of the situation, Western governments came to the rescue of large banks described as 'too big to fail' and the casino economics in which

financial capitalism had been indulging, strongly assisted by the policies of financial deregulation put in place by these same Western governments, blinded since the early 1980s by their faith in self-regulating markets, was revealed in all its splendour.

On 27 September 2008, 12 days after the collapse of Lehman Brothers, European trade union leaders met in London during the ETUC Summer School taking place there. There they adopted a joint declaration on the crisis of financial capitalism, a crisis 'caused by greed and recklessness in Wall Street, London and other major financial centres. Senior executives permitted speculation on a huge scale on investments they ill understood. Speculators have exacerbated the serious rises in fuel, food and raw materials. The losers are many and include workers in the industry and more generally, pensioners, families, providers and firms seeking investment capital, and all of us as taxpayers bailing out banks. The costs of the American rescue are huge and the commitment of central banks round the world has already been very substantial. It will take years to recover the money, if ever we manage to do so, and our future ability to fund high-quality public services is being placed in jeopardy. That's why this time there must be a turning point. Never again can irresponsibility by banks and hedge funds and the rest be allowed to come close to bankrupting nations. Never again must taxpayers' money be used to prop up institutions that continue to pay huge salaries and bonuses to their top executives. Never again can shareholder value, with directors' bonuses linked to it, be allowed to be the sole goal of companies. We cannot risk a repeat of this gross irresponsibility, greed and negligence.'<sup>89</sup>



**At the urging of the Slovenian trade union ZSSS and the ETUC, 35 000 European demonstrators gather in support of growth and jobs over casino capitalism. This takes place in Ljubljana on 5 April 2008, five months prior to the collapse of the investment bank Lehman Brothers.**

Source: ETUC

As with any financial crisis, this one was felt in the real economy almost immediately and, this time, governments were required, from the end of 2008, to step in with support for growth and employment: economic recovery plans, scrap premiums for the car industry and public investment, etc.

As a result of this dual rescue, of the banking sector and later of the economy, European governments' public finances went rapidly downhill. Deficits exceeded the ceilings set out in the Stability and Growth Pact (3% of GDP) and fuelled spiralling debt, this time of the public kind. In 2009, the world economy went into recession; global GDP fell by 0.6% and production dropped by 2%. If the short-term issue was supporting the economy and employment, in the long term a radical reform of the finance system was required.



Faced with the International Labour Organisation's catastrophic prediction of an extra 50 million unemployed in 2009, the International Trade Union Confederation (ITUC) and its member organisations in turn adopted a 'Global Unions London Declaration' on 23 March 2009, which essentially called for a sustainable international recovery plan, a new form of regulation for the world's financial markets, the end of wage deflation policies and efforts to tackle the crisis of distributive justice. Demonstrations followed: on 28 March, just a few days ahead of the G20 Summit, more than 35 000 people marched in the rain through the streets of London, waving banners bearing the slogan 'Put people first'. From 14 to 16 May, demonstrations organised by the ETUC were held in a number of European capitals: Berlin

(Germany), Brussels (Belgium), Madrid (Spain) and Prague (Czech Republic). Marches also took place in Birmingham (United Kingdom) and Bucharest (Romania). Overall, some 250 000 people took part in these three European action days.

On 28 May 2009, the ETUC adopted its Paris Declaration, which demanded a 'New Social Deal' in the EU, as a driver for social justice and better jobs. Addressed to the European institutions, this Declaration urged them to invest in an expanded recovery plan, stronger welfare systems, workers' rights over market dominance, stronger collective bargaining and European solidarity in the face of the excesses of financial capitalism. This Declaration ended with the words, 'European trade unionism must seize the moment and win a better, fairer society, and a stronger, more integrated, social Europe. The overwhelming participation of workers in the ETUC's demonstrations in mid-May showed growing support for our agenda.'

### 2.4.3. From recovery to widespread austerity: the trade union movement at odds with European policy

Reflecting on the events of the period 2007-2011 at the end of his term, the General Secretary, John Monks, stressed that nobody had foreseen the extent of this global crisis and its impact on workers and their families.<sup>90</sup> While, at first, governments had rescued the banks, supported social welfare systems and maintained public investment, from late 2009 onwards, the devotees of austerity policies (the ECB, ECOFIN and the Commission's Directorate-General for Economic and Financial Affairs) attempted to take charge of the situation once more. The problem of Greece would assist them in this: following the parliamentary elections of October 2009, the new Socialist Government announced that Greek public

deficit figures were far worse than those declared by the previous conservative government. The financial markets and investors shifted their attention from the banks towards the deficits and sovereign debt of Member States and the EU. The rescue of the banks having more or less been taken care of, it was now time for Member State governments to tighten their belts, curb public spending, reduce debt, shed public sector jobs, lower wages and water down social protection and labour law provisions.<sup>91</sup> The ETUC protested vigorously against this new political course, which would be disastrous for the economy and for jobs.

### Box 15

#### The Athens Congress (2011): Moving from austerity to prosperity



From 16 to 19 May 2011, the ETUC held a Congress in Athens, a city that had become a symbol of the failings of economic and monetary union and the first victim of the 'Troika' (the committee of Commission, ECB and IMF officials). In his speech, John Monks explained the choice: 'We selected Athens as the venue for our 12<sup>th</sup> Congress because it is the eye of the storm which threatens Europe and the euro. We are here to show our solidarity. We are not bureaucrats on holiday as some posters proclaim in the streets of Athens. Greece was first country into trouble but it is not the last.'<sup>92</sup>

The austerity programmes imposed on those countries in difficulty (Greece, Ireland, Portugal and, before long, Cyprus) in return for European financial assistance were the focus of the discussions; in the view of Congress delegates, they were engineering the dismantling of the social model. In the 'Athens Manifesto' adopted at this Congress, the ETUC declared the austerity measures counter-productive – they were exacerbating the

recession and causing public debt to rise – and 'therefore urgently [demanded] an important policy change in the EU's approach'. This manifesto, intended as a sort of roadmap for the ETUC, stated that, 'wages are not the enemy of the economy but its motor, prompting growth and jobs' and that 'the autonomy of social partners in collective bargaining and wage negotiations must be respected'. In the tradition of European Keynesianism, it called for a 'New Deal' for the people and workers of Europe, for a coordinated plan to tackle youth unemployment and for policies to improve working conditions.

In an emergency resolution, the Congress also sent a firm message to the Council of Economic and Finance Ministers (ECOFIN): 'ETUC will never accept direct or indirect interventions in pay, in the autonomy of collective bargaining or in national wage formation systems: direct and indirect labour costs are not a matter of competence for the Commission and the Council, setting wage targets and fixing the wage formation machinery is our business, not the business of European policy makers.'

Finally, the Congress adopted a strategy and action plan for the period 2011-2015 and, on an internal level, elected a new leadership. France's Bernadette Ségol replaced John Monks as General Secretary. Not only was it the first time that a woman had been elected to this post; it was also the first time that someone who was not the leader of a national confederation but of a European trade union federation (Ms Ségol had been the head of UNI Europa since 2000) was to take charge of the cross-industry confederation. Also noteworthy was the fact that there were now more women (4) than men (3) in the Secretariat.

From 2010, the sovereign debt crisis began to poison the European mood. Greek public finances were near collapse. Furthermore, Europe ‘discovered’ a country that, although part of the euro area, had not succeeded in aligning its economy, was incapable of collecting tax and was being destroyed by political clientelism. The financial markets no longer had confidence in the country’s ability to use the same currency as countries like Germany, the world’s fourth largest economy, at least in the absence of strong economic convergence and support mechanisms within the euro area. However, the Maastricht Treaty, which had established economic and monetary union, not only prohibited the rescue of a country in difficulties (in a ‘no-bail-out’ clause), but had also failed to put in place any structural convergence or mutual support mechanism.

The ETUC had long criticised the imbalances of this economic and monetary union: the countries that belonged to it shared the euro as their currency, but did not share policies as regards taxation, social affairs, investment, growth or jobs. Moreover, it lacked any mutual support instruments, for instance, one that allowed part of the public debt to be pooled or providing for a specific financial transfer system. Meanwhile, the European Central Bank adopted a very narrow interpretation of its mandate: its job was to ensure price stability, while governments, who no longer had control of monetary policy and whose budgetary policies were severely restricted, were responsible for tackling unemployment.

When the Greek crisis threatened to become systemic within the euro area, the governments finally decided, in May 2010, to devise a rescue plan for the country. However, the problem had already spread to Ireland (for which a rescue plan was adopted in December 2010) and Portugal (for which a rescue plan was adopted in May 2011). There were also fears for Italy, Spain (for which a bank assistance plan was adopted in July 2012) and Cyprus (for which an assistance plan was adopted in 2013). Under intense pressure from the financial markets and the sudden awakening of the credit rating agencies – the same ones that had awarded triple-A ratings to the subprime loans at the root of the crisis – the EU and its Member States put in place various elements of the ‘new European economic governance’: financial assistance mechanisms in order to grant loans to countries in difficulty (the European financial stabilisation mechanism, European Financial Stability Facility and the European Stability Mechanism (ESM)), the six-pack initiative, the Euro+ Pact, the two-pack initiative, the Treaty on Stability, Coordination and Governance (the first European treaty to be opposed by the ETUC) and the European Semester, etc.<sup>93</sup>

The common feature of these new governance instruments is that they all seek to commit the Member States to policies of budgetary rigour and austerity and to the adoption of ‘structural reforms’. They aim to deliver a ‘competitive shock’ by squeezing salaries, cutting social benefits, making it more difficult to qualify for these benefits, raising the legal retirement age and curbing the rise in health care spending, etc. These new rules have been adopted in the name of coordinating economic policies and monitoring public finances. However, this new governance in line with the markets serves – or even sets out – to dismantle the European social model and the national social models of which it consists. Furthermore, in the ETUC’s view, this governance is entirely counterproductive: it aggravates the economic recession, increases public debt (as a result of the denominator effect) and causes domestic demand to collapse and unemployment to shoot up. At the beginning of 2013, that rate was verging on 12% in the euro area; however, it is affecting an entire generation of young Europeans. More than 60% of Greeks under the age of 25 are without a job, which is a huge waste.



**Table 1 The ten biggest demonstrations organised by the ETUC**

Date	Euro-demonstrations	No of participants
4 June 1983	Euro-demonstration, Stuttgart	80 000
2 April 1993	decentralised Euro-demonstrations	± 1 000 000
6 December 2000	Euro-demonstration, Nice	80 000
13 December 2001	Euro-demonstration, Brussels	100 000
14 March 2002	Euro-demonstration, Barcelona	300 000
4 October 2003	Euro-demonstration, Rome	100 000
19 March 2005	Euro-demonstration, Brussels	80 000
14-16 May 2009	Decentralised Euro-demonstrations	250 000
29 September 2010	Decentralised Euro-demonstrations	100 000 (in Brussels)
14 November 2012	Decentralised European Day of Action	Hundreds of thousands of demonstrators

The full list of Euro-demonstrations will be found on page 239.

Sources: ETUC and Christophe Degryse (own sources)

**On 22 February 2013, in a stinging press release issued in response to the Commission's winter economic forecast, in which the latter hailed the recovery of the markets, the ETUC stated that: 'the recession is only over when unemployment is back down, not when markets recover. However, unemployment continues to increase every day and is already intolerably high in many Member States. The Commission cares for the markets; when will they care for the people?'**<sup>94</sup> It appeared that the trade union movement had effectively distanced itself from the policies implemented by the EU institutions.

**1973-2013: during the ETUC's 40 years of existence, the conflict has probably never been so severe as in 2013 with regard to the policies required to tackle the crisis. The EU is now in danger of '[representing] an obstacle to social progress'.<sup>95</sup>**



# Chapter 3

## Behind the scenes at the ETUC

In this chapter, we shall look at the men and women who have shaped the European Trade Union Confederation, at how its structures have developed, and at its relations with members. Looking back, two main tendencies stand out: the continuing enlargement of the ETUC to new trade union organisations from almost the entire European continent and the strengthening of the decision-making powers held by this increasingly representative Confederation, in particular as a result of the constitutional reform adopted by the Luxembourg Congress of 1991. The ETUC would strive to become a supranational trade union. This form of European trade unionism, based on both a cross-industry and sectoral approach, reflected a desire to speak for workers at the highest institutional level. As a forum for debate and the voicing of tensions, it has played an ongoing role in ensuring that all demands are represented, with a view to building a coherent trade union movement that is able to win the acceptance of the majority of its members.

The ETUC as an organisation has had to show a strong flair for innovation and adaptation, in order to serve both the principles and objectives of its founding charter of 1973 and to respond to the sometimes monumental changes brought about by European integration. It set itself the task of serving as the sole body representing the trade union movement before the European institutions, in particular the European Council, Council of the European Union, Commission and European Parliament. It also took part in the EFTA's Consultative Committee and attended meetings of the Council of Europe's committees of experts.<sup>1</sup>

When it came to the role the ETUC played within these various institutions, opinion was divided. Some took a fairly, or even openly, negative view. In truth, from the outset, the ETUC was not immune from criticism, including from within. For some, the former General Secretary Emilio Gabaglio recalls, the founding of a

European Trade Union Confederation had, in itself, been a ‘historic error’, as it risked causing a split between the ‘club of wealthy Europeans’ and workers in the rest of the world. This view had been prevalent in certain international trade union secretariats. From the moment negotiations began with a view to setting up the ETUC, criticism had also been voiced internally. The confederal secretary in charge of the international department of France’s FO trade union, Jean Rouzier, had consequently had concerns: ‘We were very wary of creating a trade union “UN” that broke with the ICFTU family’.<sup>2</sup> The loss of the ‘F’ (for ‘free’) from the name ETUC had been met with unease not only by the FO, but also by the DGB (Germany), the ÖGB (Austria) and the SGB (Switzerland)<sup>3</sup> (on this subject, see Chapter 1 with regard to the ideological tensions within the European trade union movement). The ETUC’s activities would also come to attract criticism from figures in the academic world, such as Pierre Bourdieu, Bernard Cassen and Corinne Gobin<sup>4</sup>, etc. In 2002, Bourdieu summed up what was undoubtedly one of the most common complaints: ‘trade unionism as seen at European level is chiefly conducted as if by a partner anxious to play a correct and dignified role in the running of affairs, through a rather sedate form of lobbying’ instead of ‘equipping itself with the organisational means to keep employers’ ambitions in check [...] and to force them, using the conventional weapons of social struggle – strikes, demonstrations etc. – to accept real collective agreements applicable throughout Europe.’<sup>5</sup> Leaving aside the tensions, difficulties and criticism, the challenge would remain to build a coherent European trade union movement that had the support of the majority of its members, drawing both on cross-border structures and on individuals from diverse geographical and cultural backgrounds.

### 3.1. Difficult beginnings

In 1973, the ETUC took up residence in rue du Lombard, in the heart of Brussels. It would then move to rue Montagne aux Herbes Potagères, not far from the city’s famous Grand Place. In 1993, it settled in boulevard du Roi Albert II, close to the Gare du Nord, where it remains to this day.<sup>6</sup>

From the outset, the relative scarcity of the human and financial resources the fledgling organisation required in order to carry out its work was a major concern.<sup>7</sup> Its activities were funded by contributions from affiliated trade union confederations. Right up to the founding Congress of 1973, the level of these contributions had been the subject of much discussion. All the founding organisations had agreed on a sum of 700 Belgian francs (equivalent to around EUR 17.50 in 2013) per 1 000 members, with the exception of the TUC. In the end, the amount was lowered to BEF 550 (approximately EUR 14) for every 1 000 members, with a formal commitment to review the situation at a later date.<sup>8</sup> The relative financial instability experienced early on meant that the first few years were a struggle, as Jean Lapeyre, a former Deputy General Secretary, can attest: ‘When I arrived at the ETUC in September 1985, it was a family-sized operation run by about 20 people, who had to make do with scant resources and very limited expertise. The impact of the ECSC experience could still be felt, but the European Community, under the Presidency of Jacques Delors, was just beginning to emerge from a long period of lethargy. The social dimension was all but dead and social dialogue non-existent’.<sup>9</sup>

Jon Erik Dølvik, who has made an in-depth study of the ETUC’s structures during this period, confirms this observation. The ETUC, he writes, was, at the time, a fragile organisation lacking in resources.<sup>10</sup> The contributions from members did not amount to much, making it dependent on the Commission for some of its activities – a dependence for which it also received criticism internally. Moreover, the organisation suffered from a



Brussels, rue Montagne aux Herbes Potagères. Difficult beginnings: it was in offices on one of the floors of this building that the ETUC had its official headquarters from the 1970s (before moving to boulevard du Roi Albert II, where it remains to this day). Source: ETUC

democratic deficit resulting from the system of alliances between organisations and certain leaders. One consequence of this situation was that, in the first years of its existence, it was unable to do more than make very general declarations on European policies. In short, the ETUC lacked credibility, professionalism and prestige in the eyes of its member organisations.

Nevertheless, events began to take a new turn in 1991. The signing of the October 1991 Agreement on Social Policy with UNICE, as part of the European social dialogue, and the development of collective bargaining following the entry into force of the Maastricht Treaty (see Chapter 4) would equip the ETUC with greater negotiating power and extra resources. It was no longer ‘a head without a body’.<sup>11</sup> That did not stop some, like Wolfgang Streeck, from pointing out the imbalance in the relationship between the European social partners, on the one hand, and the reluctance of certain members of the ETUC to grant this organisation greater powers, on the other.<sup>12</sup>

### 3.2. Changes within the organisational structures

As tables 2 and 3 below illustrate, over a 40-year period, the ETUC has had 10 presidents and six general secretaries. Admittedly, certain terms of office vary significantly in their length, with the record for longest-serving General Secretary notably held by the Luxembourgish Mathias Hinterscheid (15 years), followed by Italy’s Emilio Gabaglio (12 years) and the United Kingdom’s John Monks (8 years). Between them, these three general secretaries have overseen 35 (of the 40) years of the ETUC’s existence, which is evidence of considerable internal stability. However, it should be noted, in this regard, that a decision was taken at the 2003 Congress not to renew a term more than once. From now on, therefore, one person can, in principle, occupy a post for a maximum of eight years.<sup>13</sup>





**Mathias Hinterscheid, General Secretary of the ETUC from 1976 to 1991.**

Source: ETUC



**Three General Secretaries together: on the right, Emilio Gabaglio, 1991 to 2003; on the left, John Monks, 2003 to 2011; in the middle, Bernadette Ségol, since 2011.**

Source: ETUC

From 1973 to 2003, one post of Deputy General Secretary was always filled by a representative of the Nordic trade unions (from Norway, Denmark, Sweden or Finland), in spite of the fact that Norway was not a member of the EU and Sweden and Finland did not join until 1995. Their presence was the consequence of a tacit agreement – not laid down in the Constitution – dating back to the founding of the ETUC, which was aimed at ensuring the involvement of the EFTA Member States.<sup>14</sup> Similarly, a tacit agreement of 1974 dictated that one member of the Secretariat would come from one of the Christian-inspired organisations within the WCL.

With regard to the office of president,<sup>15</sup> for the first 20 years it would remain in the hands of four countries: Germany (DGB), the United Kingdom (TUC), the Netherlands (FNV) and Belgium (FGTB). In 1993, it was conferred on a representative of a trade union based in a country that was not yet part of the EU, the Austrian Fritz Verzetnitsch (ÖGB). He would serve as President for 10 years before handing over to representatives from the South (Spain's UGT and CCOO) and the North (LO Sweden, this part of Europe no longer being guaranteed the post of Deputy General Secretary).

Another noticeable development was the growing prominence of women within the leadership. The first women appointed to positions of responsibility were Béatrice Hertogs (CSC, Belgium) and Maria Helena André (UGT, Portugal), who both took up the post of Confederal Secretary in 1991 (followed by Catelene Passchier (FNV, Netherlands) in 2001). Maria Helena André subsequently became Deputy General Secretary in 2003 (before being recalled in 2009 to serve as Employment Minister in the Portuguese Government). In 2007, the first female President of the ETUC was elected, namely Wanja Lundby-Wedin (LO, Sweden). Meanwhile, the election of Bernadette Ségol (UNI Europa) as General Secretary in 2011 confirmed this development, especially as, for the first time in its history, the 2011-2015 Secretariat numbers more women than men. In addition to Bernadette Ségol in the post of General Secretary, the women are Veronica Nilsson from Sweden, Judith Kirtton-Darling from the United Kingdom and Claudia Menne from Germany. The men are Józef Niemiec from Poland, Patrick Itschert from Belgium and Luca Visentini from Italy. Following the Athens Congress (2011), it is now the rule that the difference between the number of men and women in the Secretariat cannot be greater than one.



**Béatrice Hertogs: the first woman to occupy the post of Confederal Secretary.**  
Source: ETUC



**Maria Helena André: the first woman to become Deputy General Secretary.**  
Source: ETUC



**Wanja Lundby-Wedin: the first woman to be elected President of the ETUC.**  
Source: Christophe Degryse

Finally, one position is now traditionally reserved for a representative of Central and Eastern Europe. This position went to Józef Niemiec of Solidarność (NSZZ), elected Confederal Secretary at the Prague Congress of 2003, then Deputy General Secretary in 2011.

There is one last observation worth emphasising in view of the history of the ETUC's founding: the post of General Secretary has only once been allocated to a leader of a trade union rooted in Christian values, namely Emilio Gabaglio (from Italy's CISL),<sup>16</sup> who was General Secretary from 1991 to 2003.

**Table 2 Presidents, General Secretaries and Deputy General Secretaries (1973 and 1991)**

	1973	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91
<b>President</b>	Victor Feather (TUC) United Kingdom	Heinz Oskar Vetter (DGB) Germany		Wim Kok (FNV) Netherlands		Georges Debunne (FGTB) Belgium		Ernst Breit (DGB) Germany											
<b>General Secretary</b>	Théo Rasschaert (FGTB) Belgium		Mathias Hinterscheid (CGT-L) Luxembourg																
<b>Deputy General Secretary</b>	Kaare Sandegren (LO) Norway	Peer Carlsen* (LO) Denmark	Sven-Erik Sterner (LO) Sweden		Jon Ivar Nålsund (LO) Norway		Björn Petterson (LO) Sweden		Markku Jääskeläinen (SAK) Finland										

\* Peer Carlsen, who had been Deputy General Secretary, became acting General Secretary on 1 January 1976, following the resignation of Théo Rasschaert on 12 December 1975; he continued in this role until the appointment of Mathias Hinterscheid at the London Congress of April 1976.

The years marked in dark green are those in which an ETUC Congress was held.

**Table 3 Presidents, General Secretaries and Deputy General Secretaries (1991-2013)**

	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	...
<b>President</b>	Norman Willis (TUC) United Kingdom		Fritz Verzetnitsch (ÖGB) Austria										Cándido Méndez (UGT) Spain		Wanja Elisabeth Lundby-Wedin (LO) Sweden		Ignacio Fernández Toxo (CCOO) Spain							
<b>General Secretary</b>	Emilio Gabaglio (CISL) Italy											John Monks (TUC) United Kingdom			Bernadette Ségol (UNI Europa)									
<b>Deputy General Secretaries</b>	Markku Jääskeläinen (SAK) Finland		Jean Lapeyre (CFDT) France		Erik Carlslund (LO) Denmark						Maria Helena André (UGT) Portugal and Reiner Hoffmann (DGB) Germany		Joël Decaillon (CGT) France		Józef Niemiec (NSZZ) Poland and Patrick Itschert (ITGLWF) <sup>17</sup>									

Note: since 1991, the ETUC has had two concurrent deputy general secretaries. As of 2003, terms are renewable only once. The years marked in dark green are those in which an ETUC Congress was held.

### 3.3. Ideological and geographical enlargement

At its founding congress, in February 1973, the ETUC was formed by 17 organisations from 15 European countries (table 4), all of which were members of the ICFTU. Once relations with members of the latter had been clarified, seven Christian trade unions from the WCL joined the ETUC, along with other organisations, during the Extraordinary Congress held in Copenhagen in May 1974.

Formed from 17 organisations from 15 countries, 40 years later the ETUC has no fewer than 85 organisations from 36 countries; it also includes the 10 European trade union federations. In most cases, enlargement has involved more than just a straightforward increase in numbers and has, instead, posed a genuine challenge (see Chapter 1). The admission of the social-christian trade unions belonging to the World Confederation of Labour (WCL, formerly the ICCTU) from 1974 is a case in point. It should be noted, in this respect, that a separate phenomenon of ‘Christian trade unionism’ was not common to all European countries. In the United Kingdom, the Nordic countries, as in Germany and Austria, there was no such thing as ‘Christian’ trade unions (though in some socialist or even communist organisations there could be a minority fraction with christian leanings). In reality, when the ETUC was founded, Christian socialiste trade unionism was represented solely in the Benelux countries (by the CNV and NKV in the Netherlands, the CSC in Belgium and the LCGB in Luxembourg), as well as by the CFDT in France, the CNG and the SVEA in Switzerland. The label undoubtedly also extended to Italy’s CISL, which was Christian democrat in tendency, but which belonged at international level to the ICFTU (i.e. the socialist international, instead of the Christian international, the ICCTU). France’s CFDT would likewise leave the Christian international in 1979, joining the ICFTU 10 years later.

While there was a degree of rivalry in some countries between ‘socialist’ and ‘Christian’ trade unions (for instance in France, between the FO and CFDT; and, in Belgium, between the FGTB and CSC), the European organisations of the two internationals enjoyed

**Table 4 Member organisations of the ETUC in 1973 and 1974**

Founding Congress of 9 February 1973		
Country	Confederation	Date
Austria	ÖGB	1973
Belgium	FCTB	1973
Denmark	LO	1973
Finland	TVK	1973
France	CGT-FO	1973
Germany	DGB	1973
Iceland	ASI	1973
Italy	CISL	1973
	UIL	
Luxembourg	CGT-L	1973
Netherlands	NVV	1973
Norway	LO-N	1973
Spain	UGT-E	1973
Sweden	LO-S	1973
	TCO	
Switzerland	SGB	1973
United Kingdom	TUC	1973
Organisations that joined during the Extraordinary Congress of 23 to 25 May 1974		
Belgium	CSC	1974
Denmark	FTF	1974
Finland	SAK	1974
France	CFDT	1974
Ireland	ICTU	1974
Luxembourg	LCCB	1974
Malta	GWU	1974
Netherlands	CNV	1974
	NKV	
Spain	STV-ELA	1974
Switzerland	CNG	1974
	SVEA*	
Decision of the Executive Committee of 9 July 1974		
Italy	CGIL	1974

\*These two Swiss organisations would merge in October 1982.

Source: ETUC Activity Report 1973-1975

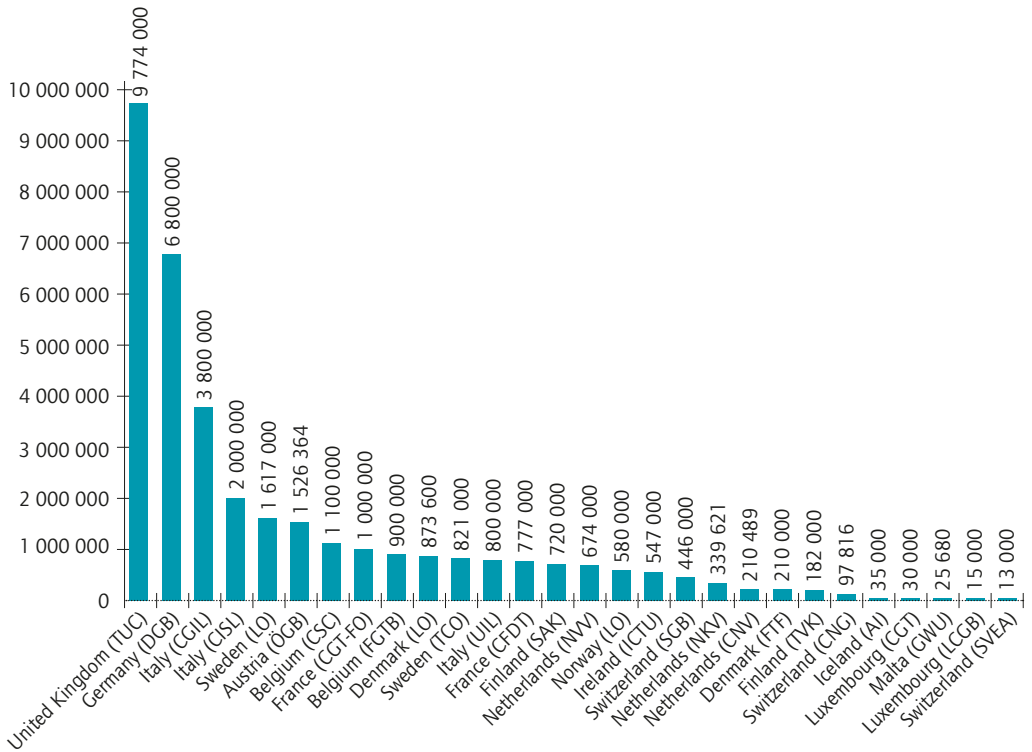
close contact and frequent meetings. Joint declarations were adopted that consistently underlined the need to strengthen cooperation against the backdrop of greater European integration. Jan Kulakowski, who was, at the time, General Secretary of the European Organisation of the WCL, played an important role in the negotiations that resulted in the affiliation to the ETUC of the member organisations of the WCL (he would, incidentally, be elected to the ETUC Secretariat in July 1974).<sup>18</sup> When these negotiations were launched, there had been an agreement that the ETUC would be founded by the WCL and ICFTU together. The Christian trade unions wished to join the new organisation from the very outset and as one bloc; in their view, it should be formed from a merger of the two European structures. However, others were fearful that, in the process, a structured Christian-based movement would be created; they therefore wanted the Christian trade unions to join individually and once the ETUC had been founded. This difference of opinion had been exacerbated by an incident relating to trade union representation within the International Labour Organisation (ILO). Thus, according to the Belgian Georges Debunne (FGTB), one of the organisers of the founding congress of 1973, only success within the ECFTU would open the way for unification of the movements: 'the approach taken was the only one possible and [there] was no other way of achieving success than to proceed in two stages'.<sup>19</sup>

The question of the 'ideological' enlargement of the ETUC also extended to the Communist-leaning trade union organisations of Western Europe.<sup>20</sup> It should be noted, in this connection, that the Italian CGIL was the only Communist-leaning organisation to become involved in the enlargement in 1974 (see the table above),<sup>21</sup> thanks to the support of Italy's CISL and UIL, which were keen to strengthen the ongoing process of unity in Italy at that time through the creation of a CGIL-CISL-UIL federation. However, the CGIL had been informally requested to cut its ties with the World Federation of Trade Unions (WFTU, Communist-leaning). It did so at the end of 1973 by downgrading its membership to become an associate member, before eventually leaving the WFTU in 1978. It was not until 1979 that the ETUC introduced a new membership criteria stipulating that trade unions should not belong to 'international trade union organisations whose objectives run counter to the principles of free, democratic and independent trade unionism'<sup>22</sup> (in other words, to the WFTU). This decision was taken well after Spain's CCOO, Portugal's CGTP-IN and France's CGT had sought membership; in the end, it only applied to the CGT as the other two organisations never actually joined the WFTU. Indeed, the CCOO opposed the WFTU's attempt to create an alternative to the ETUC comprising the so-called 'excluded'.

The CCOO's membership would prove to be one of the most controversial, to the extent that in 1981 the DGB threatened to leave the ETUC if the CCOO were admitted. It eventually joined in 1990, with the agreement of the UGT after a long stand-off between the two organisations over supremacy of the Spanish trade union movement. As far as Portugal was concerned, in 1995 there was an easing of relations between the UGTP and the CGTP-IN, which paved the way for the latter's accession to the ETUC. France's CGT was to become the last of the Communist-leaning national confederations to join the ETUC, in 1999, after having left the WFTU in 1994 and having adopted a more open attitude to the process of European integration, an attitude that had previously been quite negative. The CGT was admitted by a majority vote, with the support of the CFDT and the opposition of the FO.

The following graph gives an idea of the relative weight of the member organisations in 1976 in terms of their stated number of members.<sup>23</sup> The TUC and DGB were undoubtedly the dominant forces, but the influence of Italian trade unionism was not to be ignored, in so far as the country's organisations tended to be grouped as one. Next came the French, Belgian, Austrian and Swedish trade unions, which all surpassed a million members. With regard to the trade union LO Sweden, it is worth mentioning, at this point, the existence of



**Graph 2** Number of workers affiliated with the member organisations of the ETUC in 1976

Source: ETUC Activity Report 1973-1975

the ‘Council of Nordic Trade Unions’, which brought together trade union organisations in Sweden, Finland, Norway, Denmark and Iceland. This coalition represented a considerable force in itself, as it adopted joint positions in many ETUC decisions. This meant that, at the time, the Council of Nordic Trade Unions was the equivalent of a union of five million members, i.e. in theory, the third largest after the TUC and DGB.

At the end of the 1980s, the ETUC decided to extend the possibility of membership to any trade union considered to be free and democratic, as stated in the preamble to its Constitution, regardless of whether it belonged to the social democrat, social-christian or Communist movement.

However, it was the fall of the Berlin Wall and the subsequent decade that brought two key developments in European trade unionism: firstly, the full integration of the Communist-leaning trade union organisations of Western Europe, followed by the gradual admission in the second half of the 1990s of the trade union organisations of the countries of Central and Eastern Europe, such as Solidarność or the reformed former official trade union organisations. For more information on the latter subject, the reader is directed to Chapter 8.

**Table 5** New members admitted since 1976, in chronological order

Country	Organisation	Year joined
Greece	GSEE	1976
Iceland	BSRB	1980
Malta	CMTU	1980
Cyprus	SEK	1981
	TURK-SEN	
Portugal	UGT-P	1983
Turkey	DISK	1985
	TURK-IS	1988
Spain	CCOO	1990
France	CFTC	1990
Germany	DAG	1990
Greece	ADEDY	1990
Finland	AKAVA	1991
Denmark	AC	1991
San Marino	CSdL	1991
	CDSL	
Switzerland	VSA	1991
Netherlands	MHP	1991
Finland	STTK	1991
Portugal	CGTP-in	1995
Norway	AF	1995
Bulgaria	CITUB	1995
	PODKREPA	
Czech Republic	CMKOS	1995
Hungary	LIGA	1995
	MOSz	
	MszOSz	
Poland	NSZZ-Solidarność	1995
Romania	Cartel-Alfa	1995
Slovakia	KOZ-SR	1995
Sweden	SACO	1996
Romania	BNS	1996
	CDSR	
	CNSL Fratia	
Turkey	HAK-IS	1997
	KESK	
Hungary	ASZSZ	1998
	ESZT	
	SZEF	
Slovenia	ZSSS	1999
France	CGT	1999
	UNSA	1999

Belgium	CGSLB	2003
Lithuania	LDF	2003
	LPSK	2003
Norway	YS	2003
Latvia	LBAS	2003
Estonia	EAKL	2003
	TALO	2003
Croatia	UATUC (SSSH)	2004
Liechtenstein	LANV	2004
Lithuania	LPSS	2004
Norway	UNIO	2005
Spain	USO	2005
Andorra	USDA	2005
Monaco	USM	2006
Poland	OPZZ	2006
Cyprus	DEOK	2007
Croatia	NHS	2010
Malta	For.U.M.	2012
Poland	FZZ	2012

Note: This list does not include trade union organisations with observer status (as of 2013, this applies to organisations from the Balkans – Bosnia and Herzegovina, FYROM and Serbia).

### 3.4. The reform of the ETUC

Inside Europe, the political venture on everybody's mind at the end of the 1980s and beginning of the 1990s was, of course, the launch of the 'single market', scheduled for 1992, along with the closer ties developing between the EEC and the EFTA.<sup>24</sup> History would fate these projects to coincide with the fall of the Berlin Wall and the end of the Cold War. Since its Stockholm Congress of 1988 (see Chapter 2), the ETUC had been aware that the political and institutional developments within the Community would have a significant impact on the trade union movement – on its ability to react swiftly to events, to respond to institutional consultations and to enter into negotiations with employers. It was therefore necessary to consider how the organisation should operate internally.

It was true that, since the ETUC's founding, the various congresses had, bit by bit, introduced changes to its Constitution. However, this time, the organisation's structures, procedures and working methods were in need of in-depth reform.<sup>25</sup> The Executive Committee therefore decided, in December 1989, to set up a working group to prepare the ground for this large-scale internal reform. The group, which adopted the name 'For a more efficient ETUC', was chaired by Johan Stekelenburg, the leader of the FNV (the Dutch trade union created from the merger of the NVV and NKV). In February 1990, it sent all the member organisations a questionnaire in order to find out their views on the various aspects of the planned reform. Based on the answers it received, it presented an initial report to the Executive Committee in June 1990 and the first discussions began.

While all members favoured change, some were calling for deeper reforms than others. Among the latter, the Italian, Belgian and Spanish organisations and France's CFDT



In 1991, the Luxembourg Congress adopts a far-reaching internal reform of the ETUC.

Source: ETUC

deserve a particular mention. The three Italian organisations (the CGIL, CISL and UIL), for instance, agreed on a joint reformist and ambitious platform that would largely inspire the final report.<sup>26</sup>

After lengthy debates within the group, in the Executive Committee and on the amendments proposed by the member organisations, it was decided that the Stekelenburg report, 'For a more efficient ETUC', would be submitted to the Congress due to be held in Luxembourg from 13 to 17 May 1991. In a note addressed to the ETUC members, the Executive Committee made clear, however, that one part of the reform would be decided by the Executive Committee itself, another by the Congress and a third in terms of changes to the internal workings of the Secretariat (certain decisions had therefore been taken by the time of the Congress: to increase the number of staff within the Secretariat and its financial resources, to expand the press department and to create an organisation department). Just what was proposed in the Stekelenburg report adopted at the Luxembourg Congress?<sup>27</sup>

The main aspects of the reform can be summarised as follows:

- **Congress:** it would now meet every four years (not every three); it (and not the Executive Committee) would elect the President, General Secretary and Deputy General Secretary; the number of delegates would be increased; male-female equality would be made a target; and the Interregional Trade Union Councils (IRTUCs) would be granted observer status with the right to speak.
- **Executive Committee:** all organisations would be represented within it (and no longer by means of a quota for each country that disregarded the number of member organisations); the industry committees (the future 'European trade union federations') would have an official seat with the right to vote (except on the Constitution and on matters of finance); the president and general secretary would be full members; the Women's Committee would have three representatives, while the Youth Committee and Retired Workers' Committee would each have two; decisions were to be prepared in 'standing committees' set up in all the ETUC's policy areas (economic affairs, social affairs, the labour market, democratisation of the economy etc.); the Executive Committee would also be able to appoint working groups (focusing on women, young people, retired workers, immigrant workers, energy, new technologies etc.).
- **Finance and General Purposes Committee:** this committee would be transformed into a Steering Committee and would see its role extended beyond financial and

administrative matters; it would be responsible for the swift execution of the decisions taken by the Executive Committee as regards lobbying and high-level negotiations; it would meet up to eight times a year; the composition of the committee would be widened to include representatives of the industry committees as well as the president, general secretary and deputy general secretary; the Women's Committee would also have a representative on the committee.

- **Secretariat:** it would be enlarged through the addition of a new Secretary; the General Secretary would continue to be the ETUC's spokesperson and number one; it would submit to the Executive Committee proposals for election to the Secretariat and would submit all other proposals to the Executive Committee and to the Steering Committee. Although not strictly featured in the report, an amendment to the Constitution would be tabled to ensure that the Secretariat included 'at least one woman' (as highlighted earlier, the Athens Congress of 2011 would go much further in this direction).
- **Finance:** the ETUC would finally be granted greater financial resources. This issue would prove particularly tricky, however, as there was no consensus among members on the need to equip the ETUC with additional funds.

Through this reform, the ETUC was to become 'a real confederation invested with genuinely internalised powers and duties. Consequently, it [was] necessary to transfer some national competences to European level and to ensure that the decisions taken by the ETUC concerning trade union action [were] respected.'<sup>28</sup> The stated aim was therefore to give priority to cross-border trade union action and to develop coordinated joint strategies regarding both collective bargaining and the representation of workers' interests at European level.

However, this key question of the transfer of competences from the national confederations to the European organisation was referred to the Executive Committee. The sheer diversity of national approaches to and preferences on the issue represented within the committee turned this political objective into a veritable obstacle course. The Belgian and Italian confederations, for instance, were in favour of transforming the ETUC into a powerful organisation endowed with considerable competences and a budget to match, while the Nordic trade unions and the TUC harboured serious reservations regarding this vision. For its part, the DGB, though tending to favour the creation of a genuinely supranational organisation, had to contend with the reluctance of some of its member federations, such as IG Metall, to head in that direction.

Overall, it can be concluded that the 1991 reform would prove decisive in two respects: the integration of the sectoral organisations within the ETUC's various bodies, lending them distinctly greater significance (see section 7 below on relations between the ETUC and the industry federations), and the improvement of decision-making mechanisms. In two other areas, it would not entirely achieve its objectives, namely in terms of transferring certain national competences to European level and increasing its financial resources. Looking back, Emilio Gabaglio is convinced that this reform marked a major turning point: 'In any case, it was backed by everybody, even if there some reservations. However, it then took an awful lot of work to implement it. [...] It wasn't until the Brussels Congress of 1995 that we finished the job of orchestrating the reform.'<sup>29</sup>

### 3.5. Improving representativeness inside the ETUC

As previously mentioned, the ETUC's enlargement to new organisations and the 1991 reform were accompanied by a desire to broaden its internal representativeness. The statutory congresses held in Luxembourg (1991), Brussels (1995) and Helsinki (1999) brought



the main achievements: closer ties between the ETUC and the industry committees which became the European trade union federations; the expansion of the activities carried out by the Women's Committee, the transformation of ETUC Youth into a Youth Committee; the founding in 1992 of EUROCADRES, a European organisation representing managerial staff; the recognition in 1993 of an organisation specifically for retired people and pensioners (FERPA); the setting-up of Interregional Trade Union Councils (IRTUCs) in border areas, in particular in order to offer cross-border workers better assistance (see box 17); and support for employees of multinational companies via the European Works Councils. These efforts were all aimed at making the ETUC the key trade union player in the 'European system of industrial relations' that it wished to see in place (Helsinki 1999).<sup>30</sup>

The development, during this period, of relations between the ETUC and various components of what was then referred to as civil society, which emerged on the European scene in the 1990s and 2000s, should also be mentioned. The European trade union movement had gradually developed a policy of partnership with non-governmental organisations (NGOs) that focused on specific areas, including the Charter of Fundamental Rights in 2000 and efforts to tackle discrimination in 2009. These partnerships sometimes aroused the distrust of certain members with regard to NGOs and their representativeness, their democratic methods or even their desire to compete with trade unions on their traditional territory. However, in spite of this hesitation, an alliance – the 'Spring Alliance' – was forged between the ETUC and non-governmental organisations working in the social (Platform of European Social NGOs), development cooperation (Concord) and environmental (European Environmental Bureau) sectors. This Spring Alliance set out to establish joint positions on matters of mutual interest and, together, to bring them to the attention of the European institutions.<sup>31</sup> The ETUC has also developed working relationships with the European Anti Poverty Network (EAPN), the European Women's Lobby and the European Disability Forum, among others. The period of World Social Forums also helped to improve mutual knowledge and understanding between the ETUC and some NGOs (see Chapter 9).

## Box 16

### The role of women in European trade unionism

While perfect equality between men and women has yet to be achieved within the European trade union movement, it must be acknowledged that things are moving in the right direction. What was the situation thirty years ago? *The Signal* newspaper, produced by the ETUC's trade union press group on the occasion of The Hague Congress in 1982, provides an overview. Here is an extract:

#### 'Congress: *cherchez les femmes!*'

'Anyone who casts a curious eye around the Congress hall will spot just a few female faces amid an ocean of jackets and ties. Is the European trade union movement closed to women? If you scrutinise the list of participants or study the cards held by people walking along

the corridors, bearing in mind that delegates have red cards and observers green, the findings are revealing. Of the 143 delegates, eight are women. Only one woman is a member of the ETUC's Executive Committee. Kirsten Stallknecht, President of the FTF in Denmark is the exception. [...] There are 16 female observers out of a total of 113 people registered as such. The European trade union committees are virtually a desert: there is just one woman among the 75 delegates and observers featured on the list. If you look for women within the organisations invited to The Hague as observers but which are not members of the ETUC, you will find only five. And, of these, three are from Poland! [...].'

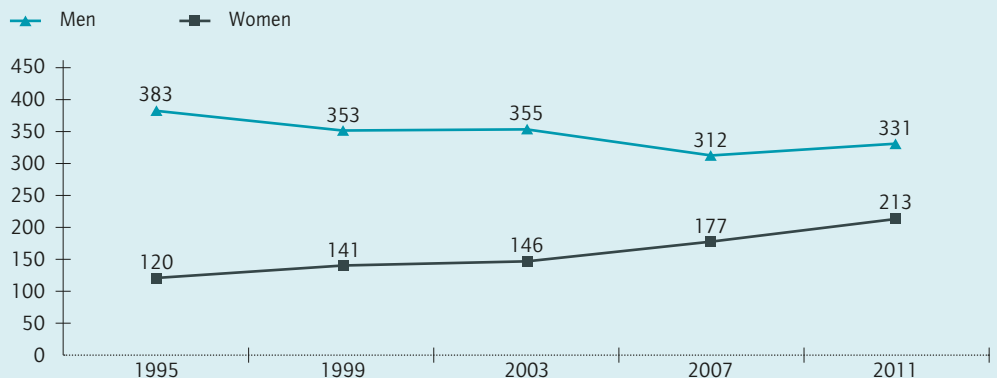
The movement has come a long way since then, as shown by the graph below. At the Athens Congress in 2011, around 40% of delegates were women.



In 1982 the paper *Signal* reported the rather unusual story of Danuta Zurkowska, Danuta Nowakowska and Krystyna Ruchniewicz. All three Polish women were Solidarność members and had been invited to the 1982 ETUC Congress held in The Hague. After being surprised by the 1981 coup d'état while abroad, they had, unable to return home to Poland, settled in Brussels in the hope of receiving support from the European trade union bodies for demands in Poland.

Source: ETUC

**Graph 3 Gender equality at the Congresses held in Brussels (1995), Helsinki (1999), Prague (2003), Seville (2007) and Athens (2011)**



Furthermore, as we have already seen, the appointment of women to positions of responsibility was a process that had begun within the ETUC at the beginning of the 1990s. Béatrice Hertogs (the first female Confederal Secretary), Maria Helena André (the first female Deputy General Secretary), Wanja Lundby-Wedin (the first female President) and Bernadette Ségol (the first female General Secretary) were the pioneers, along with Catelene Passchier, Veronica Nilsson, Judith Kirton-Darling and Claudia Menne. The 2011-2015 Secretariat is staffed by more women than men.

In addition to this improvement to the representativeness of the Congress and within the leadership, the role of the Women's Committee within the ETUC should be stressed. It has played a key part in the progress on gender equality, both internally and externally. Inside the Confederation, the bulk of the work on gender equality policies is based on the equality plan adopted at the Prague Congress in 2003. This plan takes a dual approach with regard to the trade union movement: tackling specific gender equality issues and ensuring gender mainstreaming. Externally, the ETUC takes an active part in lobbying on European guidelines concerning gender equality.

### 3.6. The role of the institutions

As we have seen above and as Andrew Martin and George Ross have rightly pointed out, the process of structuring the ETUC and the Europeanisation of the trade union movement were markedly different from the historical processes that had led to the founding of national trade union organisations at the end of the 19<sup>th</sup> century and beginning of the 20<sup>th</sup> century.<sup>32</sup> While major national trade unions had emerged at that time at least partly as a result of social activism at grass-roots level and of the gradual acquisition of resources and mobilising force by the unions in question, the ETUC has, to some degree, taken the approach of structure before action.<sup>33</sup> According to the authors, it explains why national trade unions are generally reluctant to grant real powers to this organisation, which has developed according to a ‘top-down’ approach rather than from the bottom up.<sup>34</sup>

A further explanation for this reluctance could derive from the fact that, within the ETUC, it requires a constant effort to cope with the diversity of the member organisations, which differ greatly in terms of culture, interests and demands. While they are caricatures, between the German and Belgian tradition of dialogue, the French tradition of legally enshrined social citizenship rights and the British emphasis on voluntarism, it is not always easy to find the middle ground.

#### 3.6.1. Voting arrangements

The question of voting arrangements is therefore of central importance in this regard. Officially, each time a vote proves necessary, decisions must be taken by a two-thirds majority. However, emphasis on reaching a consensus, also encouraged under the Constitution, served as a guiding principle during the first decade of the ETUC’s existence.

It should be noted that, with regard to the European social dialogue, the individual partners (the ETUC and the employers’ organisation UNICE, now BusinessEurope) have different voting arrangements. Indeed, under the Presidency of Georges Jacob (1998-2003), UNICE adopted qualified majority voting in respect of mandates for negotiation under the social dialogue, but consensus remains the method by which the outcome of this negotiation is appraised (in other words, each member of the employers’ organisation has the right of veto). That is not the case within the ETUC: the results of negotiations are put to a ‘qualified majority’ vote and there have been several occasions on which ETUC members (in particular, the DGB) have opposed an agreement reached by social dialogue, such as the agreement on part-time work or on inclusive labour markets, without this opposition preventing its adoption (see Chapter 4).

#### 3.6.2. Congress

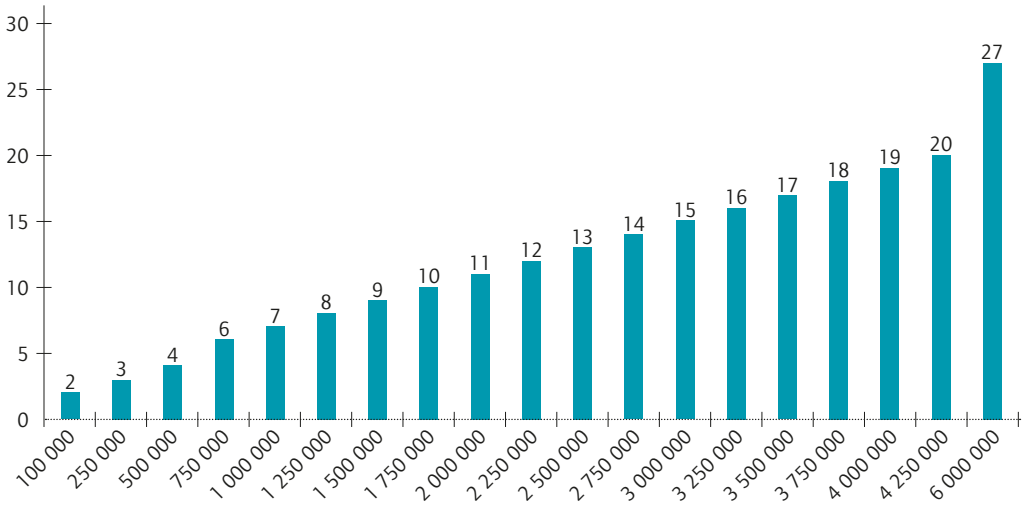
The Congress is the highest institution of the ETUC. It brings together once every four years delegates from organisations from all member countries and the industry federations and is therefore a key occasion in the Confederation’s calendar. Under the Constitution, national trade union confederations are assigned delegates as follows:

- organisations with up to 100 000 members are entitled to 1 delegate;
- up to 250 000 members: 2 delegates;
- for each additional 250 000 members: 1 extra delegate.

Additional seats are granted to organisations as follows:

- up to 500 000 members: 1 extra delegate;
- more than 500 000 members: 2 extra delegates.

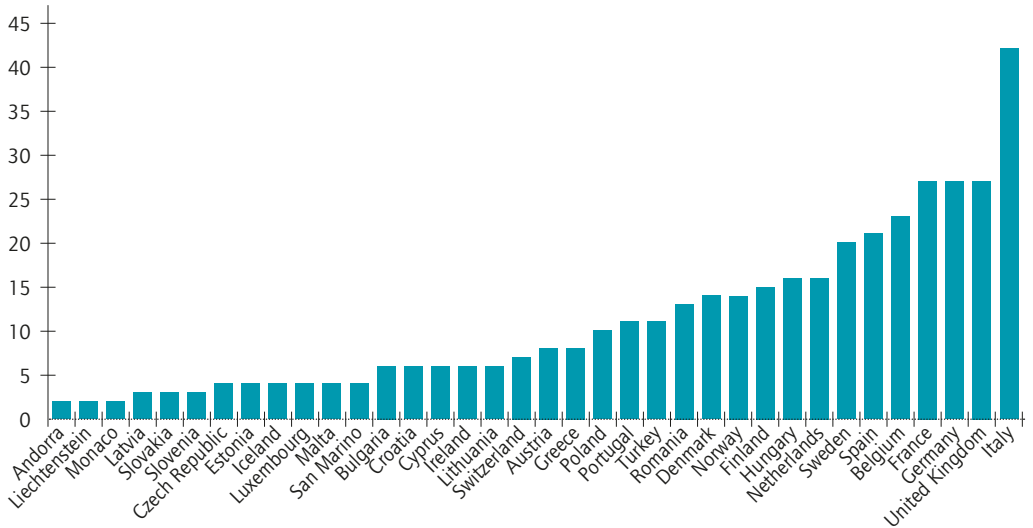
**Graph 4** Number of delegates according to the membership numbers of the affiliated national trade union organisations



Only two organisations have more than 4 250 000 members: the British TUC and Germany's DGB.

If the trade union organisations are grouped together by country, the breakdown of national trade union delegates is as follows.

**Graph 5** Number of delegates by country (Athens Congress, 2011)



This graph shows how countries with several small or medium-sized confederations are placed at an advantage, owing to the fact that smaller confederations are granted proportionally more weight. Consequently, France, with five national confederations representing a total of 2.74 million workers, has the same number of delegates to the Congress as Germany or the United Kingdom, which each have a single organisation composed of 6 million workers. We can also see that Belgium, whose three trade union organisations have 3.23 million members, i.e. more than France, have fewer delegates than the latter. However, this observation is purely academic, as the European trade union movement evidently does not operate according to relative national weight.

Representatives of the industry federations accredited by the ETUC also participate in the Congress, according to the following formula:

- three delegates per industry federation; and
- one additional delegate for each 500 000 members.

Lastly, the Women’s Committee is assigned 10 delegates.

**Table 6 Number of representatives per European trade union federation (Athens Congress, 2011)**

Federation	N° of members	Seats
EPSU	7 254 219	17
UNI-Europa	6 333 588	15
EMF	5 300 000	13
ETUCE	4 289 305	11
ETF	2 600 000	9
EFBWW	2 322 017	7
EMCEF	2 013 370	7
EFFAT	1 800 000	6
ETUF- TCL	624 575	3
EUROGOP	488 858	3
EFJ	450 000	3
EAEA	350 000	3

The main tasks of the Congress are to determine the Confederation’s future strategy and general policy, to adopt resolutions and other policy proposals submitted by the Executive Committee and the member organisations, to adopt the activity report, to approve the composition of the Executive Committee and to elect the president and the members of the Secretariat (the General Secretary, two Deputy General Secretaries, Confederal Secretaries and the Auditors). The Congress also ratifies decisions made by the Executive Committee on applications for affiliation as new members or as observers submitted by national trade union confederations and European industry federations. It alone has the power to amend the organisation’s Constitution.

To give an idea of its scale, the Athens Congress of 2011 was attended by almost 1 000 participants.





The Congress is the highest institution of the ETUC. Every four years it brings together delegates from all the national member organisations and the European Trade Union Federations.

Source: ETUC

**Table 7 ETUC congresses from 1973 to 2015**

Congress	Dates	Place
Constituent Assembly	8 February 1973	Brussels
First Statutory Congress	9 February 1973	Brussels
Extraordinary Congress	23-25 May 1974	Copenhagen
Second Statutory Congress	22-24 April 1976	London
Third Statutory Congress	14-18 May 1979	Munich
Fourth Statutory Congress	19-23 April 1982	The Hague
Fifth Statutory Congress	13-17 May 1985	Milan
Sixth Statutory Congress	9-13 May 1988	Stockholm
Seventh Statutory Congress	13-17 May 1991	Luxembourg
Eighth Statutory Congress	8-12 May 1995	Brussels
Ninth Statutory Congress	29 June-2 July 1999	Helsinki
Tenth Statutory Congress	26-29 May 2003	Prague
Eleventh Statutory Congress	21-24 May 2007	Seville
Twelfth Statutory Congress	16-19 May 2011	Athens
Thirteenth Statutory Congress	2015	Paris

Note: For the main decisions taken at these various congresses, see Chapter 2.

### 3.6.3. Executive Committee

The Executive Committee meets at least four times a year. This key body is composed of representatives from the affiliated organisations in proportion to their membership (see below) and from the European trade union federations and the Women's Committee. Its role is to decide on the mandate and the composition of the delegations participating in negotiations with the European employers' organisations under the social dialogue, and to assess the outcome. If necessary, decisions are taken by a qualified two-thirds majority vote. Following the internal reform adopted by the ETUC in 1991, the Executive Committee has seen its policy-making role strengthened with regard to the organisation's medium- and long-term strategy decisions.

The Executive Committee is composed of representatives of the national trade union confederations, according to the following formula:

- 1 representative for each national trade union confederation with up to 1 000 000 members;
- 2 representatives for each national trade union confederation with between 1 000 000 and 3 000 000 members;
- 3 representatives for each national trade union confederation with between 3 000 000 and 5 000 000 members;
- 4 representatives for each national trade union confederation with between 5 000 000 and 7 000 000 members;
- 5 representatives for each national trade union confederation with more than 7 000 000 members.

The European trade union federations, meanwhile, are represented as follows:

- 1 representative for each European federation with up to 3 000 000 members;
- 2 representatives for each European federation with between 3 000 000 and 5 000 000 members;
- 3 representatives for each European federation with more than 5 000 000 members.

The Executive Committee also includes three representatives from the Women’s Committee.



**The Executive Committee meets at least four times a year; it plays a political role in determining the organisation's medium- and long-term strategy decisions. It also adopts mandates for negotiations in the context of the European social dialogue.**

Source: ETUC

### 3.6.4. Steering Committee

The Steering Committee was created in the wake of the 1991 reform to replace the former Finance and General Purposes Committee. It is a smaller body responsible for following up the decisions of the Executive Committee between its sessions. As a rule, it meets eight times a year and is composed of 21 members elected from the Executive Committee. They are responsible for deciding on urgent and medium-term action, overseeing negotiations with employers’ organisations, representing the ETUC in dealings with the European institutions, handling financial and administrative matters and preparing the Executive Committee’s agenda.

## Box 17

### Cross-border trade unionism

Cross-border trade unionism emerged in the 1970s, with the creation of Interregional Trade Union Councils (IRTUCs). The first IRTUC was founded in 1976 in the SaarLorLux region, situated between the Rhine, Moselle, Saar and Meuse. By 1984, there were already eight IRTUCs, mainly concentrated in north-west Europe. The issue of cross-border workers and the practical response to their situation would become one of the trade union movement's new priorities from the 1980s.

On 1 June 1990, the IRTUC of the Meuse-Rhine Euroregion called for the IRTUCs in existence at the time to be represented within the ETUC's Executive Committee. At the Luxembourg Congress of 1991, it was decided that an IRTUC representative would have observer status at the meetings of the Executive Committee and could participate in committee meetings concerned with social policy, collective bargaining and regional and cohesion policy. Although officially they operated independently of the ETUC, the IRTUCs gradually became part of a wider approach of European-level activity and coordination. Their significance and role, notably in terms of the job market assistance provided via the EURES network, the issue of transport and spatial planning and the

question of cultural relations in border areas, cannot be disputed. Today, there are 45 IRTUCs, from the far north of Sweden to the south of Spain, from Ireland to Hungary.



**The first IRTUCs**

Source: Activity Report 1982-1984

### 3.6.5. Secretariat

Finally, the Secretariat (elected by the Congress) manages the ETUC's day-to-day business and is responsible for relations with the European institutions and employers' organisations. It is composed of the General Secretary, who is the spokesperson for the Confederation, two Deputy General Secretaries and four Confederal Secretaries. It monitors developments in specific European issues, plans and recommends trade union action and oversees the internal workings of the ETUC.

By way of illustration, the following is an overview of how the main tasks are allocated within the Secretariat for 2011-2015 (this allocation of responsibilities can change at any point):

– **Bernadette Ségol – General Secretary**

General affairs, relations with the European institutions, relations with affiliated organisations, finance, communication, external relations and economic governance

– **Józef Niemiec – Deputy General Secretary**

Employment, the labour market, the European Semester, the Europe 2020 Agenda, enlargement and relations with the Balkans, decent work, human resources, coordination and links with the European Trade Union Institute (ETUI)

– **Patrick Itschert – Deputy General Secretary**

Social dialogue, trade union campaigns, trade union rights, corporate social responsibility, young people and relations with Turkey

– **Judith Kirton-Darling – Confederal Secretary**

Energy, industrial policy, restructuring, sustainable development, health and safety and international development

– **Claudia Menne – Confederal Secretary**

Industrial democracy, worker participation, the European company, European Works Councils, gender equality, the Women’s Committee, LGBT, people with disabilities, social protection, social inclusion and intergenerational solidarity

– **Veronica Anna-Maria Nilsson – Confederal Secretary**

The internal market, taxation, ‘smart regulation’, public services, public procurement, labour law, the posting of workers, economic governance, data protection and conflict resolution networks

– **Luca Visentini – Confederal Secretary**

Collective bargaining, wage policy, migration and mobility, lifelong learning, economic and social cohesion, the EU budget and Structural Funds, and regional policy

### **3.7. From industry committees to European trade union federations**

The history of relations between the sectoral trade union committees and the European Trade Union Confederation would undoubtedly provide enough material for a study of its own. This history has never been one long, smooth progression. The sometimes turbulent nature of these relations can be explained largely by the fact that certain industry federations continue to belong to international-level organisations at the same time as being members of the ETUC. This triangularity can result in ideological difficulties or conflicts of competence.

The trade union federations generally – but not always – have their origins in the International Trade Secretariats founded from the 1880s onwards (see Chapter 1). ‘The latter exist separately,’ commented Georges Debunne in 1987,<sup>35</sup> ‘but they have informal ties with the trade union committees and, in rare cases, the two international and European organisations can act as one. The trade union committees are independent and determine their own composition. This creates problems for the ETUC. That is particularly the case where the trade union committees have Communist-leaning industry organisations as members or, conversely, when they refuse to admit an organisation belonging to a cross-industry organisation affiliated with the ETUC, for instance, a Christian organisation.’ These, then, are the ideological rifts that the ETUC has had to overcome at sectoral level.

‘From the beginning, the ETUC was an organisation consisting, essentially, of national trade union confederations,’ Emilio Gabaglio points out. ‘Industry-level action was the responsibility of these trade union committees which had rather loose ties with the Confederation. They were satellites – I won’t say free electrons, even if that was sometimes the case. We said that they needed to be integrated within the ETUC, to ensure that it was structured in a similar way to a national confederation.’<sup>36</sup>

The affiliation, or, more accurately, ‘recognition’, of the trade union committees by the ETUC initially took place with very little rhyme or reason. Some committees were recognised immediately, while others were not. In order to introduce some semblance of a system, the Executive Committee established five criteria in June 1973 that were to be considered when deciding on the accreditation of these bodies: coverage, ideally, of the same

geographical area as the ETUC, the grouping together of the industry federations represented by the trade unions belonging to the ETUC, the favourable opinion of the relevant ITS, the existence of permanent structures and an operating budget and the guarantee of reciprocity in the exchange of information and attendance of meetings. The table below shows the main committees accredited in 1991.

**Table 8 The European Trade Union Committees recognised by the ETUC in 1991**

Abbreviation	Name	Date founded	Member of the ETUC since
CISL-CECA	Inter-union Contact Office of Miners' and Metalworkers' Unions (Luxembourg)	1952	1973
EFA	European Federation of Agricultural Workers' Unions in the Community (Brussels)	1958	1973
EMF	European Metalworkers' Federation (Brussels)	1963	1973
Euro-FIET	European Regional Organisation of the International Federation of Commercial, Clerical, Professional and Technical Employees (Geneva-Brussels)	1964	1973
IPTT	Postal, Telegraph and Telephone International (Geneva)	1968	1973
EGAKU	European Committee of Trade Unions in Entertainment (Vienna)	1973	
ECF-IUF	European Federation of Food, Catering and Allied Workers' Unions within the IUF (Brussels)	1958	1978
ELCTWU	European Liaison Committee of Transport Workers' Unions (Brussels)	1962	1979
CSESP	European Trade Union Committee for Public Services (Brussels)	1966	1979
ETUCE	European Trade Union Committee for Education (Luxembourg)	1956	
EFBWW	European Federation of Building and Woodworkers in the EEC (Brussels)	1958	1984
EGF	European Graphical Federation (Bern)	1973	
EFCCU	European Federation of Chemical and General Workers' Unions (Brussels)	1958	1988
TGLWU	European Trade Union Committee for Textile, Garment and Leather Workers (Brussels)	1964	1988
EFJ	European Federation of Journalists	1988	

Source: Visser J. and Ebbinghaus B. (1992) Making the most of diversity? European integration and transnational organization of labour, in Greenwood J., Grote J.R. and Ronit K. (eds.) *Organized interests and the European Community*, London, Sage, 206-237 (cited in Dølvik J.E. (1999) *An emerging island? ETUC, social dialogue and the Europeanisation of the trade unions in the 1990s*, Brussels, ETUI)

The former European trade union committees have gradually regrouped. As of 2013, the 10 European Trade Union Federations incorporated within the ETUC are:

1. EAEA - Performing arts
2. EFBWW - Building and woodwork
3. EFFAT - Food, agriculture and tourism
4. EFJ - Journalism
5. EPSU - Public services
6. ETF - Transport
7. ETUCE - Education
8. EUROCCP - Police

9. IndustriAll - Industry (metal, mining, chemicals, energy, textiles, clothing and leather (formerly the EMF, EMCEF and ETUF-TCL)
10. UNI Europa - Services (e.g. commerce, financial services, cleaning etc.) and communication.

Although autonomous, these committees worked to a greater or lesser extent with the international industry federations. They were sometimes the regional version of the international organisation, as in the case of the European Regional Organisation of the International Federation of Commercial, Clerical, Professional and Technical Employees (Euro-FIET), the European Committee of the Postal, Telegraph and Telephone International, the European Committee of Food, Catering and Allied Workers within the International Union of Food Workers, or the European trade union committee for the arts, media and entertainment sector.

The move towards integrating these sectoral federations within the ETUC was part of a wider approach.<sup>37</sup> In the majority of Member States, industry-level negotiations did, in fact, play an important role, although a shift towards the decentralisation of collective bargaining to company level could be observed from the 1980s and accelerated with the arrival of economic and monetary union. The European trade union federations and their relationship with the corresponding international organisation varied from one sector to the next. However, it was expected that they should enjoy some autonomy from their international; and that they should be formed on their own initiative and be equipped with their own rules and separate structures (Article 5 of the ETUC Constitution). In practice, the key point for the ETUC was that these ties should not prevent the participation and involvement of national federations in the expansion of the European trade union structure. The duplication of European structures was to be avoided, so as not to undermine the unitary nature of the ETUC.

The reform of the ETUC adopted at the 1991 Congress (see section 4 above) brought important changes to the Constitution with regard to the role the industry committees played within the ETUC. They went from observers to member organisations with voting rights, except on financial matters and the admission of new members. Bernadette Ségol, who was the Director of the Euro-FIET office in Brussels at the time, talks of her experience as a former industry leader: ‘We had observer status. We could take the floor, but we had no voting rights. Now, on the one hand, there was a tendency to believe that confederations should be composed of federations and regional entities, as in the majority of countries. On the other hand, for other, fairly complex, reasons, some international organisations were extremely hesitant about the ETUC, which was not true in my case. They were attached to their independence and did not wish to become part of the structure, or were very reluctant to do so.’<sup>38</sup> The potential for conflict with the international industry federations was considerable and, according to some, it would be exaggerating to claim that those days are entirely in the past. The temptation to renationalise and re-sectorise trade union policies to the detriment of European and cross-industry solidarity would never completely go away.

In any case, the process launched at the 1991 Congress would be fully set in motion at the 1995 Congress. The committees would become ‘European industry federations’ and then ‘European trade union federations’ (ETUFs), whether they had been members of the ETUC at its founding or had joined during its first years of activity.

This internal change within the ETUC was accompanied, from the 1990s, by the development of sectoral social dialogue at European level, promoted and supported by the European Commission. According to Bernadette Ségol, this formalisation of sectoral social dialogue ‘was very positive and I don’t think there was any specific problem with the ETUC. For instance, the ETUC never came to me, saying: “Listen, the sectoral agreement you’ve signed there, that’s not on”’<sup>39</sup> (on the subject of the European social dialogue, see Chapter 4).



**Developments along the path to European integration, which, to put it mildly, have not always been in the direction desired by the trade unions, have gradually led the ETUC to strengthen its ability to act, in order to become more effective and in an attempt to achieve genuine cross-border trade union coordination. The ultimate aim, in often adverse circumstances, was to become a social force capable of exerting maximum influence in respect of the decisions taken by European politicians and employers.**

**To that end, the organisation would be required, as this visit behind the scenes at the ETUC has shown, to overcome ideological divides, prepare for the enlargement of its geographical boundaries, enhance its structures and working methods, improve its decision-making procedures and add an industry-level dimension to its activities. At the same time, it has had to tackle such issues as visibility, mobilisation on the ground over an ever larger area and tools of communication.**

**For what outcome? Numerous analyses have not failed to criticise the weaknesses of the ETUC, which, admittedly, has not managed to alter with any serious impact the unfavourable course Europe has taken, or to reinforce the European social model as it would like. All the same, has it not succeeded, in spite of the many divides existing at European and national level, in uniting and mobilising a trade union movement that is increasingly representative of Europe as a whole, in order to champion, against all odds, an alternative model for European society and development?**



# Chapter 4

## The ETUC as actor in the European social dialogue

The 'official' launch date of the European social dialogue is generally considered to be 1985. This was the year of the first 'Val Duchesse' meetings (named for the castle outside Brussels in which they were held), to which the Commission President, Jacques Delors, had invited the European social partners – at that time, the ETUC, on behalf of the trade union movement, UNICE (now BusinessEurope), representing private employers, and CEEP (the European Centre of Enterprises with Public Participation), representing public employers – to embark on a process of consultation with the aim of lending a social dimension to the completion of the European single market.

While 1985 is therefore a key date in the history of this social dialogue, it would be short-sighted to disregard the latter's 'prehistory'. This prehistory has its roots in two specific developments: the first was the beginning of social consultation at industry level, which spread following the founding of the European Coal and Steel Community (1951) and, subsequently, the European Economic Community (1957) within sectors such as agriculture and transport; the second was the emergence of forms of consultation and dialogue with the European institutions in the area of employment policy (for instance, through the Standing Committee on Employment and tripartite conferences etc.).

In this chapter, we shall begin by recalling the key moments in this prehistory of European social dialogue, before taking an in-depth look at the development and implementation, from 1985 onwards, of genuine European social dialogue. What role did the ETUC play in this process and what hopes and disappointments did it harbour with regard to what, from its point of view, has always been one of the crucial pillars of a social Europe, namely the creation of a European system of industrial relations? These are the questions we shall attempt to answer in this chapter.

## Box 18

### What is 'social dialogue'?

As a rule, the expression 'European social dialogue' refers to the interaction that has taken place between the social partners (representatives of employers, on the one hand, and of workers, on the other). Social dialogue is defined as seeking to reach agreements between employers and workers, of a more or less binding nature, on matters such as working conditions, the

operation of labour markets and vocational training etc. Alongside this social dialogue there has developed since 1960s a form of tripartite consultation among the social partners, the European institutions and governments. This is primarily a forum within which the social partners can air their views, jointly or individually, on the policies carried out by the European institutions (or governments). It is important to distinguish this forum from bipartite social dialogue in the strict sense.

## 4.1. 'Prehistory'

### 4.1.1. The origins of European sectoral social dialogue

The European Coal and Steel Community (ECSC) was founded in 1951 on the basis of sectoral objectives and was intended, from a social perspective, 'to promote improved working conditions and an improved standard of living for workers, so as to make possible their harmonisation while the improvement is being maintained'. Article 56 of the founding Treaty set out to anticipate the social consequences of the restructuring arising from the creation of a common coal and steel market, through a series of measures designed to help workers in these sectors: the payment of compensation in the event of redundancy and until a new position could be found, resettlement allowances and vocational retraining. The ECSC also put in place social accommodation programmes for miners and steelworkers, as well as funding research into occupational illnesses and mine safety.

This first European Community appointed a 'Consultative Committee' composed of an equal number of producers, workers, consumers and dealers in the mining and steel industries in the six Member States. It would act as a partner to the 'High Authority' of the ECSC (the precursor to the European Commission). 'The Consultative Committee played an extremely influential role within the ECSC, particularly in the period up to 1967, when the three European executive bodies were merged,' Jean Degimbe observes.<sup>1</sup> It was this committee that would ask the High Authority to set up two 'mixed committees' for the coal and steel industries, which could be regarded today as forerunners to the sectoral social dialogue committees (SSDCs). These two committees, established in 1954, served as forums for consultation, communication and dialogue between employers' and workers' organisations; they also assisted the High Authority with implementing the ECSC's social policy. These arrangements marked the beginning of the advisory role that the social organisations would gradually be called on to play in the process of European integration.

In 1957, the European Atomic Energy Community (Euratom) and the European Economic Community (EEC) were founded. While the former did not set itself any specific social objectives – other than establishing uniform safety standards to protect the health of the general public and workers in the nuclear energy sector – the second adopted the aim of improving employment opportunities for all workers and contributing to raising their standard of living. The EEC would also set up the European Social Fund, one of the main

**Box 19****The Treaty of Paris**

The Treaty of Paris (which established the ECSC in 1951) set up a Consultative Committee, which comprised an equal number of coal and steel producers, workers, consumers and dealers. Under the Treaty, the High Authority was required to consult the Committee

in a range of areas, such as price changes, wages, research, production quotas and hardship measures etc. Moreover, Article 46 of the Treaty allowed businesses, workers, consumers and dealers, and their associations, to present to the High Authority any suggestions or comments they had on questions affecting them.

financing instruments for Europe's social policies. In addition, Article 118 of the EEC Treaty would, for the first time, envisage a certain social dimension to European integration (see box 20).

The creation of the EEC would therefore enable the approach taken within the ECSC to be extended to all economic sectors, resulting in increased consultation of the social partners in the 1960s. However, the social dimension of the EEC's planned common market was weaker than that anticipated by the ECSC, creating disappointment from the outset within the European trade union movement. Admittedly, a European Economic and Social Committee was set up in 1958, providing a forum for the discussions developing between the Commission and the organised civil society. This advisory committee would be the Commission's first formal socio-economic partner, but it would struggle, from the very beginning, to influence the decisions taken by the Council.

**Box 20****The Treaty of Rome**

Article 118 of the 1957 Treaty establishing the European Economic Community stated that the Commission had 'the task of promoting close cooperation between the Member States in the social field, particularly in matters relating to [...] the right of association, and collective bargaining between employers and workers'. It should be pointed out that, at the time, there were not yet any European-level organisations representing

employers or workers. UNICE (BusinessEurope) would be founded in 1958 and the European Trade Union Confederation in 1973. The Treaty of Rome established an economic and social partner with an advisory status: the Economic and Social Committee. It was to consist of 'representatives of the various categories of economic and social activity, in particular, representatives of producers, farmers, carriers, workers, dealers, craftsmen, professional occupations and representatives of the general public' (Article 193).

#### 4.1.2. Consultation, concertation and dialogue on employment policies

From the 1960s onwards a consultation process would gradually develop between the social partners and the European institutions on a variety of subjects, such as vocational training, the free movement of workers and the monitoring of actions under the European Social Fund etc. This consultation took place through 'cross-industry advisory committees', which brought together representatives of governments, trade unions and employers' organisations.

The following such committees were set up:

- an Advisory Committee on Vocational Training on 2 April 1963;
- an Advisory Committee on Freedom of Movement for Workers on 15 October 1968;
- an Advisory Committee on Social Security for Migrant Workers on 14 June 1971;
- an Advisory Committee on Safety, Hygiene and Health Protection at Work on 27 June 1974; and
- an Advisory Committee on Equal Opportunities for Men and Women in 1982.

However, the involvement of the social partners remained limited; their opinion was sought on Community policies only. At the same time, ‘joint committees’ were established at sectoral level, which were consulted by the Commission and which drew up opinions on the European sectoral policies carried out (agriculture and transport). At cross-industry level, the Commission’s attempt to create joint groups to work on achieving social harmonisation fell victim to the ‘empty chair’ diplomatic crisis of 1965, but also, quite simply, to the lack of tangible results.<sup>2</sup>

Following the 1969 European Summit held in The Hague, the 1970s were supposed to be the decade in which the European integration process underwent a revival. However, the Community found itself mired in the global economic crisis that followed the first oil price shock.

This troubled economic backdrop coincided with the adoption of the first social action programme, on the back of demands made by the Paris European Summit of October 1972 (see Chapter 2). In this respect, the 1970s would nevertheless prove to be fairly positive from a social policy perspective, especially as the period also saw a more ‘committed’ form of dialogue emerge between the social partners and the European institutions: ‘concertation’. The purpose of the latter was to secure reciprocal commitments from the participants in the social dialogue, the underlying idea being that they could share responsibility with the Council in areas such as employment policy. A decision was taken in December 1970 to set up a Standing Committee on Employment (SCE), which brought together the ‘social’ ministers (the ministers for employment and for social affairs), the Commission and representatives of the social partners. The committee’s remit was to organise dialogue, concertation and consultation between its members in order to facilitate the coordination of employment policies in the Member States in keeping with Community objectives. It was within this committee, for instance, that the Directive on collective redundancies was discussed.

Immediately following the founding of the ETUC in 1973, this concertation would be developed at tripartite conferences held between 1974 and 1978. At these conferences, attended by representatives of governments, the Commission and the social partners, declarations were adopted that committed governments and the social partners to acting in harmony with each other. Nevertheless, these forums for concerted action fell a long way short of bringing the desired results, at least for the ETUC, which would ultimately withdraw from the process (see box 21).

The late 1970s and early 1980s therefore demonstrated to the ETUC that the institutional route and tripartite concertation would bring very little in the way of tangible results. From that point on, it would concentrate on trade union mobilisation and establishing a strong cross-border presence. The action day organised on 5 April 1978 around the theme of full employment marked the beginning of a European-scale campaign. An action week was subsequently held from 24 to 30 November 1979. It was followed by further action on 12 and 13 June 1980, as 5 000 activists gathered in Venice, coinciding with the European Summit being held there. In 1981, a new demonstration in Luxembourg called for jobs and economic recovery. This action-based trade unionism culminated with a tour of European capitals that began in early 1983, accompanied by a demonstration held in Brussels in February and the gathering of 80 000 campaigners in Stuttgart on 4 June. The ETUC was displaying its capacity for cross-border mobilisation.





At the end of the 1970s, relations between the ETUC and the European institutions were strained. In May 1979, it held an action week with the theme, 'Europe will be what we make of it'.

Source: International Institute of Social History, Amsterdam

### Box 21

#### 1972-1981: Concertation, divergence and withdrawal

Following the promises of a revival emanating from The Hague in 1969, the European institutions decided to set up a Standing Committee on Employment (SCE) and establish tripartite conferences. As crisis struck following the first oil shock, it was within this framework that differences of opinion would materialise to produce a genuine doctrinal schism – between the 'Euro-Keynesian' solutions to the crisis advocated by the trade union movement and the neoliberal policies that were gradually becoming dogma, insinuating themselves within both the European institutions and the Member State governments.

The very beginnings of tripartite concertation were far from easy. The 1973 Conference on Employment was cancelled as a result of the French Government's demands for national trade union organisations to be allowed to attend.<sup>3</sup> Meanwhile, the Standing Committee on Employment remained paralysed for two years, until the end of 1974, as the ETUC called for its number of allocated representatives to reflect its institutional weight. Nevertheless, leaving aside these incidents, the Ortolí Commission and the trade unions appeared to be relatively in tune with each other, in particular on the need to set up sectoral joint committees and to conclude European-level collective agreements. The tripartite conference of December 1974 brought results deemed valuable by trade union leaders. The ETUC

welcomed the fact that proposals for directives on gender equality and collective redundancies were now entering the final stage of adoption by the Council.

In July 1975, the ETUC drew up a list of demands in order to prepare its positions in the run-up to the forthcoming tripartite conference in November 1975. However, this time, the Commission proved far less receptive to the trade union proposals. It seemed to favour the employers' approach of reducing wage costs. This second tripartite conference reflected the growing differences of approach between the partners. In spite of this first disappointment, the ETUC continued in its strategy of attending the conferences, as they appeared to be the appropriate forum for presenting its proposals for socio-economic recovery. In 1976, it produced a catalogue of demands centring on full employment and a general reduction in working time without any loss of salary. Admittedly, it was not always easy to achieve unity, including within the trade union ranks, in particular when the TUC declared its support for the 'locomotive theory', according to which those countries with a positive balance of payments, such as Germany, should lead the efforts to promote growth, a theory firmly rejected by the DGB.

A new tripartite conference was held in Luxembourg on 24 June 1976. The economic crisis and unemployment were still the focus of the discussions, with views of the situation diverging ever more widely depending on whether they were put forward by the employers' or trade union camp. The solutions therefore differed

just as radically. Nevertheless, a collective desire to see full employment restored and to ensure price stability was apparent. In terms of agreeing on how to act on this desire, however, there was still a long way to go. This would prove a particular source of irritation to the ETUC, as the trade union organisations considered that they had made their contribution to price stabilisation by tempering their wage demands, while the other conference participants had, they felt, failed to keep their side of the bargain. The question that began to be asked was whether it should continue to take part in the tripartite conferences, given the poor results achieved, or whether it should follow the path of confrontation. The President of the ETUC, Heinz Oskar Vetter, influenced by the German approach, swung the balance in favour of pursuing the dialogue.

From the beginning of 1977, contact was stepped up with the new Commission led by Roy Jenkins. However, the tripartite conference of June 1977 once again delivered disappointing results as far as the trade unions were concerned. A further conference took place in Brussels on 9 November 1978 under German chairmanship. It would be the last conference of this kind attended by the ETUC, which no longer had any real expectations, in spite of efforts of the German Chancellor, Helmut Schmidt, and the Commission to persuade it otherwise.

The discord concerned the reduction in working time, the stimulation of consumption in order to drive growth, and job creation. Direct contact with UNICE became more infrequent. In 1979, the ETUC decided to withdraw from the dialogue with the Commission. This dialogue would not resume until 1981.

However, it made barely any impact on European leaders. The trade union movement's proposals for overcoming the crisis (a reduction in working time, a full employment plan and the stimulation of demand) were powerless against the neoliberal dogma that was – unsurprisingly – riding high among employers, but which also now reigned within the European institutions and the majority of Member State Governments. In view of the relative failure of the action-based trade unionism, and following much discussion, the principal leaders of the trade union confederations affiliated to the ETUC decided, in autumn 1983, to resume the approach of institutional representation. The mood within the trade union movement was despondent, but the ETUC had at least been able to demonstrate its capacity for mobilisation and the legitimacy of its battle.

## **4.2. Val Duchesse and beyond: towards a European system of industrial relations?**

### **4.2.1. 1985: The Val Duchesse revival**

With the European trade union movement's enthusiasm dampened by these first experiences of concertation, the French Minister for Social Affairs and Solidarity, Pierre Bérégovoy (who was chairing the Council of Employment Ministers and the Standing Committee on Employment during the first half of 1984), would attempt to ease the tension. He would be the first to bring the social partners together 'in a wholly informal context and in a strictly personal capacity',<sup>4</sup> inviting them to Val Duchesse between February and June 1984, in the aim of ending the current stalemate through an exchange of views. No agenda was proposed. However, employment-related issues, in particular youth employment in the context of industrial restructuring and new technologies dominated the discussions. While the meetings produced little in the way of practical results, the experience would not be wasted.



The second half of the 1980s is marked by a more constructive atmosphere between the ETUC and the European Community. This climate gradually gives rise to the European social dialogue. (Jacques Delors, here on the right, in discussion with Emilio Gabaglio)

Source: ETUC

Indeed, it was as an extension of these gatherings that Jacques Delors, who had just been appointed President of the European Commission, arranged an initial meeting with the European social partners on 31 January 1985. The agenda was a full one, as the meeting involved nothing less than reflecting on overall developments within the European Community. The discussions were conducted in a more constructive atmosphere, even if the exchange of views on reduced working time – one of the ETUC's demands – were described by its President, Georges Debunne, as 'a little lively at times'.<sup>5</sup> In any case, momentum seemed truly to have been (re)gained and successive meetings took place throughout 1985. Jean Lapeyre, who joined the ETUC Secretariat in 1986, recalls that 'in Delors's eyes, the social partners needed to become genuine social players – yes, I know we could quibble over the term 'partners', a term Georges Debunne disliked, preferring instead the word 'interlocutor'. Nevertheless, according to Delors, it was up to them to introduce a social element to the European internal market.'<sup>6</sup>

Following these meetings, two working parties were formed. The first was the macroeconomic group, in which Peter Coldrick represented the ETUC. The second concerned new technologies and information and consultation, in which the ETUC was represented by Jean Lapeyre. The first joint opinion to be issued by these working groups was signed in November 1985. This embryonic social dialogue resulted, between 1985 and the beginning of the 1990s, in the adoption of a dozen joint opinions, which constituted the very first joint documents adopted by the European social partners at cross-industry level. They dealt, amongst other subjects, with social dialogue and new technologies (12 November 1985), the cooperative growth and employment strategy (6 November 1986), and training and motivation, information and consultation (6 March 1987).

This social dialogue in the making – it did not yet have the tools required to influence the Community decision-making process – was seen as a means of lending a social dimension to the planned completion of the single market. The revision of the Treaty of Rome through the Single European Act with a view to launching this project (see Chapter 2) laid down the first provisions governing the European social dialogue.

What was the real impact of the joint opinions adopted in the 1980s? Interpretations vary in this regard. According to the former Secretary-General of UNICE (BusinessEurope), Zygmunt Tyszkiewicz, they were 'constructive and objective' documents, the main benefit of which was to show the national social partners that employers and trade unions in the Member States 'could sit down around the same negotiating table and listen to each other's views on sensitive matters of social policy in a European context'.<sup>7</sup> It was essentially their

## Box 22

**The Single European Act**

The very first provisions concerning social dialogue appeared in the Single European Act (1986). They stipulated that the Commission should 'endeavour to develop the dialogue between management and labour at European level which could, if the two sides consider it desirable, lead to relations based on agreement' (Article 118b). The document introduced new content to the Treaty of Rome, which was undoubtedly its chief merit. Otherwise it was short, did not lay down any particular negotiating procedures and, above all, failed to define the European scope of any agreements that might

be reached between the social partners. It was true that the Commission had been assigned a new mission, that of 'developing' the social dialogue, opening up a new area of activity. However, the Treaty remained particularly cautious and unambitious on this point. Finally, it acknowledged merely that the social partners had something to say about European integration, and, more specifically, the completion of the single market, but without affording them the role of genuine participants in the process. The improvement of working conditions remained entirely dependent on the exercise of the legislative powers laid down in Article 118a (concerning the adoption of directives).

demonstrative value, therefore, that stood out most. CEEP also felt that the joint opinions '[demonstrated] the social partners' capacity to act together', but voiced a desire to go further. Its former General Secretary, Werner Ellerkmann, called for contractual instruments to be strengthened.<sup>8</sup>

For its part, the ETUC took a more critical view. Its then General Secretary, Mathias Hinterscheid, stressed the potential contained in these opinions and their political significance, but pointed out the shortcomings of this form of social dialogue 'owing to the lack of dynamism in these statements [and] the weakness of the commitment made by the social partners'.<sup>9</sup> He called for the partners to be able to go a step further: to conclude European framework agreements and European collective agreements. It was essential to adopt provisions expanding Article 118b of the Single European Act in order to place industrial relations within a Community framework, most notably at sectoral and industry level and in respect of transnational companies. The ETUC's view had always been that the aim should be to lay the foundations of a Community system of industrial relations, with European collective bargaining identified as a perhaps distant but very real prospect.

This idea of a distant prospect is often alluded to in the accounts of those involved at the time. 'When I arrived at the ETUC in 1986,' Jean Lapeyre explains, 'I was in the habit of saying, "at the CFDT in France, I needed one idea a day. In Brussels I need one idea a year." But then you needed to stick to that idea. And see it through to the end.' That was especially true in the 1980s, a period that saw the launch of a new form of social dialogue. 'It is not easy for a Greek employer to understand a Danish trade unionist, or for a Portuguese trade unionist to understand a German employer,' Jean Lapeyre points out. 'So, first you need to understand how the systems operate in other countries, how their negotiations work. People need to learn how to listen to each other, to understand each other, to accept their differences, in order then to be able to move beyond, or transcend, these differences. And, above all, you mustn't use a national system as a model. That would have been a fundamental error. So we tried to design a system that wasn't an imitation of a national system but something new.'<sup>10</sup>

#### 4.2.2. 1991: The Agreement on Social Policy and the prospect of negotiated legislation

How is it possible to explain the fact that, while the ETUC had come to expect virtually nothing from concertation and social dialogue during the previous decade, it would succeed in 1991 in persuading its interlocutor, the employers' organisation UNICE, to sign an historic Agreement on Social Policy that would mark the beginning of negotiated legislation at European level? For this development to be understood, it must be seen in the context of what was happening within the Delors Commission at that time. The Single European Act had just come into force, introducing, among other things, qualified majority voting on social matters (in place of the previous requirement for unanimity). The Community Charter of the Fundamental Social Rights of Workers was also signed in 1989. It resulted in a Commission action programme, certain aspects of which could be adopted by qualified majority; the UK's veto, behind which all those opposed to a European social dimension, including UNICE, had been able to hide, would no longer work. The Commission therefore began to present proposals for social directives. The realisation dawned on UNICE that its usual strategy of 'neither... nor...' [neither legislation nor negotiated agreements] was quickly becoming untenable. For that reason, and under pressure from the European Parliament, it agreed to a change of attitude. It was what academic researchers would refer to as the shadow of the law:<sup>11</sup> 'negotiate or we will legislate'.

The entire balance of power between both the institutions and Member States and employers and trade unions therefore began to shift. UNICE agreed to consider the possible extension of joint opinions, although British employers remained wedded to their previous position. A working group was set up within the Social Dialogue Steering Committee. Vast differences of opinion naturally persisted, but the impetus had been regained.

In 1991, then, the governments of the Community Member States were busy discussing a plan for economic and monetary union (EMU) alongside a plan for political union (PU), which would result in the Maastricht Treaty. In July 1991, the ETUC succeeded in persuading UNICE to send a joint letter to the Heads of State and Government announcing their intention to present a joint contribution to the future treaty, in which they would set out their own vision for developing Europe's social dimension.

However, the negotiations aimed at producing this joint contribution to the future Maastricht Treaty proved particularly arduous. They were carried out within a group led by Jean Degimbe, at that time the Director-General for Social Affairs at the Commission, and Carlo Savoini, an elder of Italy's CISL, who, before joining the Commission as Director for Social Dialogue, had occupied trade union positions within the European Trade Union Secretariat and the European Confederation of Free Trade Unions – the ECFTU (see Chapter 1).

The discussions were grinding to a halt and the group was not making any progress. According to Emilio Gabaglio, 'the employers' organisations were dragging their feet, UNICE in particular. The other organisation, CEEP, was more open, but did not wield enough influence. In reality, the impasse was due mainly to the CBI [Authors' note: the Confederation of British Industry, which represents British employers], which had some sway with the Secretary-General of UNICE, [Zygmunt] Tyszkiewicz. One month after the ETUC's Luxembourg Congress, I was granted the opportunity to resurrect the talks by the President of Cofindustria, the Italian employers' organisation, Sergio Pininfarina, a great man who has just left us [Authors' note: in July 2012]. He organised a round table in Rome with the Commissioner Vasso Papandreou, the President of UNICE, [Carlos] Ferrer Salat, and myself. It was a first step that he would follow up with a proposal for a summer meeting between the leaders of the German, French and Italian employers' organisations. Delors sent Carlo Savoini. It was there that, within UNICE, a majority in favour of an agreement would emerge'.<sup>12</sup>

Not without some last-minute hiccups, the social partners had therefore made their joint contribution to the future Maastricht Treaty, in the form of an ‘Agreement on the role of the social partners in the development of the Community’s social dimension’. The agreement was forwarded to the Heads of State and Government, who, in December 1991, incorporated it, more or less as it was, in the Maastricht Treaty. The agreement covered a considerable scope. It laid down rules concerning the consultation of the social partners in respect of the Commission’s social initiatives, on the role the former could play and on the means by which an agreement between them could be implemented at Community level. It was the qualitative leap the ETUC had been calling for since the 1980s.

In view of the United Kingdom’s refusal to adopt the agreement, it was incorporated in a Protocol on Social Policy annexed to the Maastricht Treaty, which was binding on 11 of the 12 Community Member States.<sup>13</sup> For the first time in the European Community’s history, the social partners had become genuine participants in its decision-making process.

Nevertheless, this considerable progress would not be without consequences for – the sometimes very fragile – relations between the social partners and their affiliated national organisations.<sup>14</sup> Thus the weakness of the mandate granted to UNICE resulted in national resistance to the transfer of negotiating power to European level.<sup>15</sup> The diversity of models and national concerns could also translate into diverging interests and strategies.<sup>16</sup> It would be a mistake, moreover, to think that what was true for employers did not also apply to the trade unions.

### Box 23

#### The Maastricht Treaty

The signing of the Maastricht Treaty made it possible to advance a step further in the European social dialogue, but that step was taken by only 11 of the 12 Member States at that point (without the United Kingdom), by means of an Agreement on Social Policy annexed to the new Treaty. The wording of Article 3 of the Agreement, heavily based on the social partners’ contribution to the drafting of the Maastricht Treaty, demonstrated that the level of ambition had noticeably increased:

‘The Commission shall have the task of promoting the consultation of management and labour at Community level and shall take any relevant measure to facilitate their dialogue by ensuring balanced support for the parties. To this end, before submitting proposals in the social policy field, the Commission shall consult management and labour on the possible direction of Community action.

If, after such consultation, the Commission considers Community action advisable, it shall consult management and labour on the content of the envisaged proposal. Management and labour shall forward to the Commission an opinion or, where appropriate, a recommendation. On

the occasion of such consultation, management and labour may inform the Commission of their wish to initiate the process provided for in Article 4 [...].’

Article 4, in turn, stated that: ‘Should management and labour so desire, the dialogue between them at Community level may lead to contractual relations, including agreements. Agreements concluded at Community level shall be implemented either in accordance with the procedures and practices specific to management and labour and the Member States or [...] by a Council decision on a proposal from the Commission.’

These provisions therefore represented significant progress, as they laid down a requirement not only to promote dialogue but also to consult the social partners on the direction of the European Union’s social initiatives and, most importantly, conferred a ‘quasi-legislative’ role on the partners, which could ask the European institutions to convert their agreements into directives. In addition, a Social Dialogue Committee was established. It was tasked with implementing and improving the Community dialogue, consultation and negotiation procedures provided for in the Agreement.



For the ETUC, this decisive change raised an important internal question. Emilio Gabaglio, who had just been appointed General Secretary, describes it as follows: ‘The internal question was simple: if we now had the possibility to negotiate agreements at European level, how should this negotiation take place? Who was in charge of it? I had to fight to put across the point that responsibility for this task should fall to the Secretariat. At the time, it was considered by the Executive Committee to be a technical body. I had to assert myself by pointing out that the Secretariat, now that it was elected by the Congress following the 1991 reform [Authors’ note: see Chapter 3], had a political mandate, on top of managing the ETUC’s day-to-day business. It, therefore, was responsible – alongside the national representatives, of course – for organising the negotiating delegation. Its role was to act as the mouthpiece of the trade unions.’<sup>17</sup>

Another fundamental internal issue was how the decision on the outcome of a negotiation should be taken. While qualified majority voting had been introduced for the decisions taken by the Executive Committee, it was usual practice to seek a consensus among members, at least among the largest of them. However, that arrangement would not work with regard to the outcomes reached in the social dialogue. As these were decisions that had a direct bearing on employees’ working conditions in all Member States, they had to be taken by a qualified majority, even if there were no consensus. ‘The ETUC was forced to take a qualitative leap,’ Gabaglio comments. ‘Members effectively agreed to a partial transfer of their sovereignty so that, if need be, a majority decision could be taken in the interests of European workers as a whole, to the exclusion of minority national preferences. This was a factor, and an important one, in making the ETUC a supranational organisation with its own powers, ones that had, of course, to be exercised with care.’<sup>18</sup>

#### 4.2.3. 1995-1999: The first framework agreements and a U-turn by employers

The first framework agreements, which the ETUC had wished to see in place 10 years earlier, would begin to materialise in 1995, under the Commission’s impetus. The first agreement concluded between UNICE, the ETUC and CEEP, and converted into a European directive, concerned parental leave (in 1995), the second related to part-time work (1997) and the third dealt with fixed-term contracts (1999). It should be noted that, in 1998, the Commission also launched a new method of institutionalising sectoral social dialogue, with the creation of sectoral social dialogue committees (see box 25). It was also during this period that the European Centre for Industrial Relations was founded.<sup>19</sup>

In Gabaglio’s view, ‘this social dialogue boosted our profile as a European trade union organisation. These achievements owed a great deal to the commitment of my deputy Jean Lapeyre, with whom I had a real rapport throughout my term in office. From an internal point of view, the practice of social dialogue also helped to unite the ETUC more firmly. One particular incident opened our eyes to this fact. When it came to adopting the framework agreement on part-time work, Germany’s trade union confederation, the DGB, and some others, disagreed with me. I therefore called for the Executive Committee to take a vote under the new constitutional rules. The decision was adopted with a qualified majority. However, I was afraid that the Germans, who had been defeated, would distance themselves from the initiative. That did not prove to be the case and the agreement would therefore go on to be applied in all countries. I felt that, on that day, the ETUC had come of age.’<sup>20</sup> Nevertheless, the outcome of this social dialogue would be the subject of sometimes heated debates within the Executive Committee.

## Box 24

**The three framework agreements negotiated by the European social partners and implemented by European directives ('negotiated legislation')**

**Framework agreement on parental leave**, concluded in December 1995 by UNICE (BusinessEurope), CEEP and the ETUC and implemented by a Council Directive in June 1996. It set out minimum requirements on parental leave and time off from work on grounds of *force majeure*. The aim was to make it possible to reconcile working and family life and to promote equal opportunities and treatment between men and women.

**Framework agreement on part-time work**, concluded in June 1997 and implemented by a directive adopted in December 1997. Rules were established to ensure that workers affected by the new forms of flexible work were treated comparably with full-time workers.

**Framework agreement on fixed-term contracts**, concluded in March 1999 and implemented by a directive adopted in June 1999. It laid down rules establishing minimum requirements for fixed-term employment in the aim of ensuring the equal treatment of workers and preventing abuse arising from the use of successive fixed-term employment contracts or relationships. The Directive called on Member States to determine penalties to be applied in the event of failure to comply with these requirements.

In October 1998 UNICE refused to enter into negotiations on the requirement to inform and consult workers in national companies – just as it had been impossible to reach an agreement on European Works Councils in 1994 (see Chapter 7). In a document dealing with the future of European social policy published in September 1999,<sup>21</sup> European employers clarified their views on European social policy in general and social dialogue in particular. This document would mark a change of course by European employers. Social dialogue entered a new phase: the breakdown in the 2001 negotiations on temporary agency work and UNICE's refusal in 2003 to negotiate framework agreements on data protection and on 'the portability of supplementary pension rights'. Had the shadow of the law disappeared?

## Box 25

**Sectoral social dialogue**

Alongside cross-industry social dialogue, an abundance of sectoral forums emerged in which representatives of the federations would negotiate on behalf of their own sectors. In 1998, the Commission decided to set up specific structures: the 'sectoral social dialogue committees'. As of 2013, there are 42 committees covering European sectors as diverse as agriculture, the metal industry and transport, but also sugar, hospitals, live performance, the textile industry and footwear etc. Companies operating within these sectors vary greatly, both in terms of size and of the volume of jobs. A further difference is that some sectors (such as agriculture

or transport) are more affected by European policies than others (like hairdressing or hospitals). Moreover, certain sectors face a great deal of international competition, while others do not. These facts help illustrate why sectoral social dialogue is a rather disparate affair.

This dialogue developed principally from the beginning of the 1990s. The European Trade Union Federations belonging to the ETUC played a key role in this regard: EPSU representing the public service sector, UNI Europa services and communication, IndustryAll industry (metal, mining, chemicals, energy etc.) and the ETF transport, etc.

As of 2013, more than 700 joint texts have been adopted in the context of this sectoral social dialogue. They fall into various categories: a handful of legally binding agreements (on seafarers' working time, the organisation of working time for mobile staff in the civil aviation sector, the prevention of injuries in the hospital sector, the working conditions of mobile workers in the railway sector, and the protection of occupational health in the hairdressing sector etc.); joint 'recommendations' for national organisations (such as codes of conduct, frameworks of action and guidelines etc.); 'declarations' and 'common positions' addressed to the European institutions (intended to convey the sector's point of view on a particular European initiative); and tools (e.g. training measures).<sup>22</sup>

Generally speaking, the main objectives of sectoral social dialogue are to establish reciprocal commitments between employers and workers in a given sector, but also to attempt to influence European policymaking, to propose common priorities to national organisations and to equip the sector in question with shared tools and/or joint work programmes.

#### 4.2.4. 2000-2010: The open method of coordination (OMC) arrives on the social dialogue scene

While UNICE increasingly had reservations about negotiated legislation, it was not necessarily opposed to a softer form of social dialogue that would lead to documents that were not legally binding. It was an approach that the employers' organisation would gradually attempt to impose in the course of the 2000s.

Three major political events would influence the development of social dialogue: the introduction of the euro, the launch of the 'Lisbon Strategy', and the open method of coordination (OMC) that went with it, and, finally, the EU's enlargement to 12 new Member States (the countries of Central and Eastern Europe, Cyprus and Malta). It was against this new backdrop that the cross-industry social partners would make a joint contribution to defining the role of European social dialogue in the run-up to the Laeken European Council, due to be held in December 2001.

This joint declaration consisted of four main chapters dealing respectively with:

- the specific role of the social partners within the framework of European governance;
- the distinction to be drawn between bipartite social dialogue and tripartite concertation in the context of enlargement;
- the need for tripartite concertation to be better geared towards the various aspects of the Lisbon Strategy (in particular by replacing the Standing Committee on Employment with a 'tripartite concertation committee for growth and employment');
- the partners' desire to develop a work programme for a more autonomous form of social dialogue.

The content of this joint declaration would subsequently come under discussion within the European Convention (paving the way for the draft European Constitutional Treaty); the call for a tripartite concertation committee to be set up would lead to the creation of the 'Tripartite Social Summit for Growth and Employment' (see below).

The role of social dialogue had been granted increasing recognition by the European institutions, in particular as a driving force with regard to the 'economic and social modernisation' aspects of the Lisbon Strategy, but also as part of governance. Accordingly, in spring 2002, the Heads of State and Government, meeting for the Barcelona European Council, emphasised 'the need to strengthen the role of the social partners in modernising the organisation

of work, improving its quality, vocational training and access to and durability of employment'.<sup>23</sup> 'The social partners share responsibility for finding a balance between flexibility and security in employment and making it possible for enterprises to be adaptable. They must above all play the principal role in anticipating and managing change and achieving the balance which will safeguard the way enterprises operate as well as the interests of workers'.<sup>24</sup>



Concertation between the Council, Commission and the social partners develops at the 'tripartite summits'. Here, John Monks, right, is deep in conversation with Philippe de Buck, Director-General of BusinessEurope, and José Manuel Barroso, President of the European Commission.

Source: ImageGlobe

This greater recognition was not without its ambiguities, however. It was possible to discern in it the basis for a method of economic governance by labour market flexibility and wage-setting systems. Indeed, right from the launch of the 'macroeconomic dialogue' between the social partners, the European Central Bank, Economics and Finance Ministers and the Commission President in 1999, the wage question had been at the heart of the dialogue or, rather, the monologue conducted by the ECB, to which the ETUC would continually object on the grounds of the autonomy of collective bargaining. As the impact of the 2008 financial crisis made itself felt in the euro area, this monologue would become obsessive (see Chapter 5).

Nevertheless, this 'increased recognition' of the social partners – which would not, however, extend as far as inviting them to take part in drawing up the policy guidelines relating to the Lisbon Strategy goals – was accompanied, in 2003, by the introduction of an annual Tripartite Social Summit, the purpose of which was to 'ensure [...] that there is a continuous concertation between the Council, the Commission and the social partners'. This would 'enable the social partners at European level to contribute, in the context of their social dialogue, to the various components of the integrated economic and social strategy, including the sustainable development dimension [...]'.<sup>25</sup>

Alongside these autonomous agreements and frameworks of action, we must also mention that in 2008, the European social partners were involved in the revision of the European Works Council Directive (see Chapter 7).

**Box 26**

**The Treaty of Nice**

The Treaty of Nice of 2001 brought new nothing in terms of provisions governing the European social dialogue. Concerning the implementation at national level of European directives in the area of social policy, it specifies, however, that 'a Member State may entrust management and labour [at national level], at their joint request,

with the implementation of directives adopted pursuant to paragraph 2. In this case, it shall ensure that, no later than the date on which a directive must be transposed [...], management and labour have introduced the necessary measures by agreement, the Member State concerned being required to take any necessary measure enabling it at any time to be in a position to guarantee the results imposed by that directive' (Article 137).

Alongside this recognition, there was also a desire on the part of the social partners to assert their autonomy with regard to the European institutions, in particular the Commission. This was reflected, notably, by the adoption of ‘work programmes of the European social partners’ (the first covered the period 2003-2005, the second 2006-2008, the third 2009-10,<sup>26</sup> and the fourth 2012-2014). In these programmes, it was the social partners themselves who defined their priorities and agenda for negotiations, not the Commission.

Over the course of the 2000s, the implementation of the Maastricht Agreement on Social Policy, which had resulted in the signing of three framework agreements of a legislative nature, seemed gradually to be taking a different direction. ‘Legislative’ framework agreements were slowly being abandoned in favour of ‘autonomous’ agreements enforced in accordance with procedures and practices specific to the national social partners and the Member States. The question of the status and monitoring of this new type of agreement has never been fully clarified, especially given that the enlargement of the EU to the countries of Central and Eastern Europe has raised questions as to how far-reaching these agreements are in countries in which the structures of and partners in social dialogue remain weak.

The autonomous agreements signed during this period cover:

- telework (2002);
- work-related stress (2004);
- harassment and violence at work (2007); and
- inclusive labour markets (2010).



**As Odile Quintin (European Commission) looks on, the European social partners sign the autonomous agreement on work-related stress in 2004.**

Source: European Union

This development was accompanied by the gradual introduction of the open method of coordination within the social dialogue. It essentially takes the form of ‘frameworks of action’. These are texts in which the European social partners highlight the priorities on which they wish their respective national affiliates to focus. These documents have no binding force; in a sense, they are recommendations or codes of best practice that are the subject of regular monitoring reports.

The frameworks of action agreed to date relate to:

- the lifelong development of competencies and qualifications (2002);
- gender equality (2005); and
- youth employment (2013).

## Box 27

**The Lisbon Treaty**

The 2009 Lisbon Treaty's main contribution is its formal recognition of the social partners and the autonomous social dialogue. It accordingly states that, 'the Union recognises and promotes the role of the social partners at its level, taking into account the diversity of national systems. It shall facilitate dialogue between the social partners, respecting their autonomy. The Tripartite Social Summit for Growth and Employment shall contribute to social dialogue' (Article 152). According to Title X of the Treaty, which is devoted to

social policy, the Union and its Member States should have as their objectives 'the promotion of employment, improved living and working conditions, so as to make possible their harmonisation while the improvement is being maintained, proper social protection, dialogue between management and labour, the development of human resources with a view to lasting high employment and the combating of exclusion' (Article 151). While this Treaty lent no new substance to the objectives and procedures of the social dialogue, it nevertheless recognised the importance of its role in developing Europe's social dimension.

#### 4.2.5. 2010 and beyond: Breakdown?

The end of the 2000s marked a clear loss of momentum in cross-industry social dialogue. Negotiations had certainly not been broken off: employers' and workers' representatives embarked on a joint analysis of the challenges facing labour markets and adopted an autonomous agreement on labour market access for disadvantaged groups. They even managed to agree on the partial revision of the European Works Council Directive (see Chapter 7). Is that, however, the last substantial result of a social dialogue that had its 'golden age' in the second half of the 1990s and very beginning of the 2000s?

It is a question that must be asked, since the pace of the negotiations has slowed considerably in comparison with that period. It is not, as John Monks, General Secretary from 2003 to 2011, stresses, due to any lesser commitment from trade unions, but to the Commission's failure to insist, as before, that the social partners must 'negotiate, or we will legislate'. The trend is now for deregulation; Europe is afraid of losing ground to the emerging countries, where workers' rights and social protection are virtually non-existent.

Cross-industry social dialogue has deviated from the legislative route opened up by the Maastricht Treaty. This change is a clear reflection of employers' preference for non-binding instruments (autonomous agreements and frameworks of action), a preference that is evidently not shared by the ETUC and its members. While the Commission played a fundamental role in developing the social dialogue from 1985 until the beginning of the 2000s, it now seems to encourage employers' predilection for light dialogue and soft instruments.

To mark the 20<sup>th</sup> anniversary of the social dialogue launched by the Maastricht Treaty (1991-2011), Joël Decaillon, who, at the time, had responsibility for this area within the ETUC Secretariat, instructed the European Social Observatory (OSE) to carry out a study and a survey of its members in order to find out their assessment of the last 20 years of negotiations. The verdict was mixed: while the three framework agreements signed in the 1990s received a relatively favourable evaluation, there was a far more varied, or plain negative, response regarding the other joint documents from the 2000s, which were described as lacking in ambition, insufficiently binding and as bringing little social progress for European workers. The report concluded with the following words: 'Though historically this dialogue has achieved almost constant progress (albeit sometimes slight) almost until the year 2000,



during the past 10 years (2000-2010) there has been both an increase in the number of [...] documents and themes adopted, and a significant weakening of its concrete results, at least in the interprofessional context. In this regard [the European social dialogue] has lost much ground during the past decade, and this is giving rise to tangible dissatisfaction on the part of some member organisations.<sup>27</sup> Nevertheless, in spite of these difficulties and dissatisfactions, 'a very large majority of interviewees clearly reaffirm [this dialogue's] importance'.<sup>28</sup>

As if to confirm this breakdown, negotiations on the revision of the Working Time Directive ground to a halt in December 2012. In the ETUC's view, the chief purpose of the revision should have been to remove the clause allowing employers not to comply with the very provisions of the Directive. After all, the Working Time Directive stated that weekly working time could not exceed 48 hours. However, in the United Kingdom in particular, many employers circumvent this rule by obliging their employees to sign a clause waiving their legal rights, a clause that is included in the Directive in question. Is it not strange that a directive should set out the conditions for non-compliance with its own provisions? It was in relation to this issue and as a result of employers' unyielding determination to keep this clause that the ETUC decided to break off the talks in December 2012.<sup>29</sup>

Today, an even greater danger preys upon social dialogue, this time not only at European level but also, and most significantly, at national level. The threat comes directly from the Commission itself, in the form of the new European economic governance designed to tackle the crisis (see Chapter 5). In its 'Annual Growth Survey' published in January 2011,<sup>30</sup> it called for steps to be taken to 'reduce over-protection of workers with permanent contracts', 'increase the retirement age and link it with life expectancy' and 'support the development of complementary private savings', not to mention the messages targeted at countries such as Greece and Ireland by zealous Commission officials. These messages were criticised by John Monks as designed to cut minimum wages and reduce wage 'rigidities', cut pension entitlements, make labour markets more flexible, and, in Ireland's case, provide for wages to reflect 'market conditions'.<sup>31</sup> Monks made clear his disapproval, stating that 'this policy of detailed interference in labour markets tramples all over pious Commission statements about the autonomy of the social partners, the importance of social dialogue and the specific exclusion in the EU treaties of a European competence on pay'.

Is the Commission seeking to dismantle what it, itself, has helped to build since 1985?

**What would a European trade union be without a European social dialogue? Since its founding, the ETUC has fought for the creation, within the EU, of a genuine European system of collective relations. This demand, aimed at countering the insidious fragmentation and deregulation of national labour markets, is still vindicated on an almost daily basis: when posted workers from Bulgaria or Romania are treated like slaves by German companies; when Latvian workers are employed on Swedish building sites with no regard for legislation on working conditions or the minimum wage; when Portuguese workers are employed illegally, without any social security, in the French or Belgian construction industry.**

**The ETUC entered into social dialogue in order to prevent labour from being treated as a mere commodity within the single market. At no point has the history of this dialogue been plain sailing. The ETUC has had to secure its recognition as the representative trade union interlocutor of the European institutions. It has had to convince employers of the need to participate constructively in this dialogue. It has had to seek the support of the institutions, including during periods in which the temptations of neo-liberalism have lured attention away from workers' concerns. It had**

to build a consensus within the organisation on the methods and substance of the negotiations. It has, of course, had to negotiate, but also to ensure constant monitoring of the implementation of the agreements secured.

As we have seen in this chapter, external circumstances have often played a key role in defining changes to and the quality of the social dialogue, be it the economic crisis and the resurgence of neoliberal dogma from the 1970s onwards, new directions adopted by the Commission, political windows of opportunity or resistance from employers, which can only ever be overcome temporarily. All these factors have determined and still determine the quality of a European social dialogue which, in the midst of the present financial, economic and social crisis, appears now to be experiencing its moment of truth.



## Chapter 5

# The development of a trade union agenda for economic governance

The forty years of history through which the ETUC has lived have shaped the European trade union movement's vision of a Europe serving its citizens and workers. After all, European trade unionism is not merely national trade unionism transposed to European level. It has been built alongside the diverse national trade union movements and has its own characteristics, linked to the European context within which it operates.

It is therefore particularly as a result of a series of European 'events', both planned and unforeseen, that the ETUC has gradually forged what could be termed its economic and social 'doctrine'. Among those events, and regarding which we enjoy relatively little hindsight as yet, it is certainly possible to single out three that can be seen as 'markers' in European trade union history.

The first was the oil shock of 1973, which coincided with the founding of the ETUC. It sent the economies of the Member States reeling and caused structural unemployment. It also exposed the growing divergence between the liberal solutions gradually adopted by the European institutions and an increasing number of governments, on the one hand, and the appeals from the labour movement, on the other, for political action to bring the economic and social crisis under control, in contrast to the calls for 'self-regulating' markets. We referred in Chapter 4 to the clashes that occurred in the late 1970s and early 1980s on this very question, even leading to a breakdown in relations between the ETUC and the Commission. In this chapter, we shall identify the specific points on which differences would crystallise in terms of the vision behind this emerging European economic and social 'governance' aimed at tackling the crisis.

The second of the events was the plan to complete the European internal market, carried out from 1985 to 1992. This period saw ever increasing emphasis

on ‘social Europe’, a demand set to stay, given the threat of increased competition, relocation and restructuring the single market represents. Nevertheless, this period of European revival was met with a certain enthusiasm from trade union quarters: it would finally be possible to reconcile a large single market with a genuine social dimension, in the form of social dialogue, the Charter of Fundamental Social Rights, the doubling of the budget for the European Structural Funds and a real economic and social cohesion policy. Following the breakdown in relations at the end of the 1970s, this was a period of trade union support for the European project, but with a critical eye.

The third of these events was the development and subsequent implementation of the plan for economic and monetary union. Integration of this kind, which took place, according to Bastiaan van Apeldoorn, in the context of the transnationalisation of European capitalism,<sup>1</sup> would affect a series of areas at the heart of national trade union activities, in particular wage policy and employment policy. It is possible to divide this third event itself into a further two parts: the first prior to the financial crisis of 2008, when the political will to improve the coordination of social policies (national social pacts, the European Employment Strategy and the use of the open method of coordination in the area of pensions and health care etc.) was, to some degree, still in evidence; and the second from 2009 onwards, when the EU underwent a change of heart and, rather like its response to the oil shocks of the 1970s, chose to put all its trust in self-regulating markets. To that end, it was deemed necessary to reduce social security spending (unemployment, pension and health care budgets etc.), relax labour markets and decentralise collective bargaining systems. These are the infamous ‘structural reforms’, the supply-side policies, the cost competitiveness and export-led recovery. In the ETUC’s view, Europe is once again on the wrong track in believing that these reforms and the austerity policies that accompany them will boost growth and employment. Unfortunately, the facts bear it out: between 2009 and 2013, the EU has undergone recession, stagnation, mass unemployment, a sharp rise in social inequalities and a growing economic and social divide between the core and the periphery, north and south, east and west. After the breakdown in relations at the end of the 1970s, followed by the period of critical support from 1985 to 1992, the ETUC once again finds itself almost completely at odds with this form of ‘austerity-driven’ European governance.

In the pages that follow, we shall not attempt to go over the history of these three significant periods (for which the reader is directed to Chapter 2), but to identify the conclusions the European trade union movement has drawn from them.

## **5.1. Oil shocks and a clash of ideas**

The international situation at the start of the 1970s saw various factors (the end of the Bretton Woods Agreements, the Yom Kippur War etc.) align to trigger an oil crisis that had a decisive impact on the economies of Europe and the United States.

From an economic and social point of view, the years that followed were marked by the then new circumstance of stagflation. Economic growth was poor and was accompanied by high inflation and unemployment. This situation prompted a resurgence of national protectionism. Far from aligning their approaches and political actions in order to tackle the crisis, the Community Member States instead adopted wildly different economic priorities and strategies. Meanwhile, the Commission – initially, at least – backed Keynesian-style solutions, whereby budgetary policy was seen as an instrument of economic recovery. It was essentially a question of stabilising the economic cycle by balancing inflation and unemployment levels. In 1973, the Commissioner responsible for Economic and Financial Affairs, Credit and

Investment was the German Wilhelm Haferkamp, who had been President of the DGB North-Rhine Westphalia between 1962 and 1967. He subscribed to this Keynesian approach, placing emphasis on social dialogue. It was the era of the tripartite conferences at which representatives of the social partners, the Commission and the Member States would meet.

However, this Keynesian approach was failing to produce the desired effects. In the second half of the 1970s, the ETUC was increasingly disappointed by the turn taken by these tripartite conferences. The Council and Commission gradually abandoned their policies of actively managing demand in order to champion a supply-side policy. To that end, European employment policy was to focus on creating a stable environment, boosting the competitiveness of businesses, developing the internal market, applying wage moderation and carrying out a systematic review of labour market regulations. For its part, the ETUC called for a significant reduction in working time, better distribution of existing jobs and concerted public and private investment.

These differences in approach were accentuated by the neoliberal revolution in the offing (with Margaret Thatcher's victory in the 1979 parliamentary elections in the United Kingdom); the neoliberal dogma cherished by the business world was insinuating its way into politics. As Corinne Gobin observes, the ETUC's approaches were 'diametrically opposed to the now prevailing political and economic agenda. The trade unions' call for a universal reduction in working time with no loss of salary, which lay at the very heart of the question of the collective distribution of wealth, [...] soon became the political symbol that had to be crushed.'<sup>2</sup> The shift from a Keynesian to a liberal Europe succeeded, in the space of a few years, in isolating the trade union movement and caused relations between the Commission and the ETUC to break down from the end of 1979 until 1981. This was the time when the ETUC would embark on a series of Euro-demonstrations in order to gather support for its protests against the sharp rise in unemployment, in the hope of securing a change in the balance of power. It was at this time, too, that a Trade Union Intergroup was set up within the European Parliament.<sup>3</sup>

The resumption of tripartite dialogue with the Thorn Commission, which took office on 6 January 1981 (until the arrival of Jacques Delors in January 1985) did nothing to smooth out the differences. The parties undoubtedly shared the same general concerns: the need to return to growth and combat unemployment. However, the trade union movement's analysis of the causes of the situation differed from that of the Commission. This was especially true with regard to the solutions for tackling inflation, as well as the role accorded to a policy of recovery through public investment. As far as the Thorn Commission (like that of his predecessor, Roy Jenkins) was concerned, the solution to the problem of unemployment lay primarily in developing new information and communication technologies – this was the dawn of the 'information society' – accompanied by greater training in this area, and structures that would encourage SMEs to take risks.

While the differences were manifest, there was some common ground, for instance on the issues of working time, vocational training and the information and consultation of workers (see Chapter 7 on the proposed Vredeling Directive). Consequently, a memorandum drawn up by the Commission and sent to the Council on 10 December 1982 advocated a more favourable approach to the use of working time as an instrument of employment policy.<sup>4</sup> This coincided to some extent with the ETUC's ideas. Not entirely, however, as the Commission also stressed that a reduction in working time alone could not be considered an effective means of cutting unemployment and that an overall reorganisation of working time needed to be envisaged. The emphasis placed on greater flexibility of working time was unacceptable to the ETUC, unless there were other concessions, namely a reduction in hours.

At this juncture, we should note that, even within the ETUC itself, there were different shades of opinion or approaches as regards the solutions that should be applied in order



to eradicate unemployment. For instance, Bruno Trentin, General Secretary of the CGIL (Italy) from 1988 to 1994, supported the ETUC's demands, but did not see it as a single cure. 'A measure of that kind should be accompanied by changes to the way in which work is organised and be linked with the promotion of new forms of solidarity among workers to secure a redistribution of working hours.'<sup>5</sup> In his view, a European-level framework agreement allowing individual countries and companies to apply their own arrangements was required in order to implement a reduction in working time. As for the DGB (Germany), at that time it was in open conflict with Chancellor Helmut Kohl's Government, formed in 1982, regarding the proposals put forward by the Labour Minister, Norbert Blum, for increased part-time work and flexibility on the labour market. The DGB favoured a different approach; it was calling for working time to be cut to 35 hours with no reduction in pay. This measure would, it claimed, create 1.4 million jobs, while shaving DEM 20 billion off the overall cost of unemployment.



The European trade union movement has always championed a reduction in working time. Shown here, in France, is a CGT poster urging the application of the law on the eight-hour day. This poster dates from 1919 and was created by Felix Doumenq.

Source: CGT

Regardless of these variations in national approach, the ETUC continued its efforts to persuade governments, in particular within the Standing Committee on Employment, to change their policies and increase public investment in a concerted fashion. Nevertheless, it could not help but acknowledge that 'governments [are happy] to back the current policies, in spite of the rise in unemployment'.<sup>6</sup>

Following this unsatisfactory outcome to the tripartite concertation, the ETUC decided to hold a major European Conference on Employment on 5 and 6 April 1984. It was the first of its kind, with representatives of governments, employers and the European institutions asked to give their opinions on the proposals for economic recovery and job creation drafted by the European trade union organisation.<sup>7</sup> Four heads of government, eight



employment ministers and leading figures from the major European institutions (the EEC, EFTA and Council of Europe) took part, along with employers' organisations. Among the proposals submitted by the ETUC, the calls for a concerted drive to stimulate selective demand, a public investment programme and a general reduction in working time should be mentioned. The ETUC wanted to strengthen labour market policies and to see the social burden distributed more evenly, as well as to protect those on a low income. At the end of this large conference, an agreement was reached on the need for greater cooperation at European level in order to overcome the crisis. After all, in this respect, the 'cost of non-Europe'<sup>8</sup> was huge, as the Commission Vice-President, Étienne Davignon, pointed out. The differences between public institutions, employers and trade unions remained as clear as ever. UNICE declared that it was prepared to agree to dialogue on the reorganisation of working time, but insisted that a reduction in working time was not a measure likely to create new jobs.

The ETUC's assessment of this conference was that it 'was not all bad':<sup>9</sup> it had enabled discussions to begin with important representatives of employers' organisations, allowed a meeting between the ETUC and UNICE to be scheduled for the end of 1984, and secured the support of governments for the idea of establishing a 'high-level European committee on employment'. Last but not least, 'progress [had] been made with regard to working time and [the ETUC's] proposals on public investment [were] attracting increasing interest and support'.<sup>10</sup> Was the ETUC about to succeed in communicating its vision of economic and social governance for the benefit of citizens and workers?

## 5.2. The single market: promises and threats

Jacques Delors's arrival at the European Commission in 1985 was an important moment that marked the real date on which European social dialogue was born (see Chapter 4). Beyond the social dialogue, however, the plan for a 'single European market' launched by the new Commission President crystallized the trade unions' demands in return for their support for the undertaking. It consisted of abolishing all physical, technical and fiscal barriers to the free movement of persons, goods, services and capital by 1993. This complete opening of the Community's internal borders was intended to boost trade, competition and investment and, 'consequently', employment. From the outset, however, a project of this kind threw up its share of social concerns: the impact of increased competition on workers, restructuring, the relocation of businesses, social competition, working conditions and labour law etc. Would a large market like this not shift the balance of power between labour and capital yet more firmly in the latter's favour? These questions made clear the need for a 'social dimension' to the internal market, as called for by the Heads of State and Government themselves at their Hanover European Council of June 1988.

As Jon Erik Dølvik points out, the planned single market (and, later, the single currency closely tied to it) represented both a promise and a threat as far as the trade union movement was concerned. The European market 'was intended to encourage growth and long-term employment. In the short term, however, it increased competition, industrial restructuring and unemployment'.<sup>11</sup> The ETUC found itself facing a dilemma: should it oppose the promise in order to escape the threat, or support the promise while demanding that the threat be kept in check? The Executive Committee decided in favour of the latter. In a resolution adopted in October 1988, the European trade union organisation set out its vision for the social dimension of the internal market. After criticising the Commission for underestimating the risks of social dumping, for the weakness of the proposals for

a set of Community-wide social rights and for ‘the absence of any method, priorities or timetable for creating the European social area’, the ETUC set out its eight fundamental demands.

They can be summarised as follows:<sup>12</sup>

- legislation guaranteeing fundamental rights for all workers so as to avoid any form of competition based on social ‘undercutting’ within the single market;
- economic democracy within this market;
- enhanced social dialogue and social dialogue at sectoral and company level;
- the involvement of the social partners in the harmonisation process (in connection with the opening of internal borders);
- the right to training leave for all workers across Europe;
- increased health and safety standards in the workplace;
- a European framework for the management of restructuring, with the participation of the trade unions;
- Europe-wide regulation of non-standard forms of employment (part-time and temporary work, fixed-term contracts and homeworking).

These, then, were the chief conditions of trade union support for the planned single market. Two months later, the Executive Committee clarified its demands with regard to respect for fundamental social rights. It reiterated its hopes in terms of growth and jobs, but also solidarity and social justice, along with its fears ‘that this single market will be a purely liberal undertaking, ensuring the free movement of goods and capital for the benefit of just a few’.<sup>13</sup> The Community therefore needed to guarantee economic and social cohesion, and a genuine European social policy was required to ensure a ‘fair and honest’ internal market. To that end, it was necessary to establish a set of fundamental social guarantees, along with a means of enforcing these guarantees, and to ensure that workers and trade unions had access to forms of redress in the event of a violation of these fundamental rights. Moreover, it was ‘clear’ that respect for fundamental rights ‘also [entailed] active policies aimed at growth and employment, the bridging of structural gaps and the upward correction of inequalities’.<sup>14</sup>

The Heads of State and Government of 11 Member States (the Twelve minus the United Kingdom) adopted the Community Charter of the Fundamental Social Rights of Workers at the Strasbourg European Council of December 1989. The Charter was inspired by texts produced by other international organisations, such as the Council of Europe’s Social Charter (1961) and International Labour Organisation (ILO) conventions. It laid down the main principles on which the European labour law model was based and defined a set of social rights guaranteed and enforced, as applicable, at national or European level (see box 28).

Thus, the period from 1985 to 1993 (the completion of the internal market) saw what was referred to as ‘social Europe’ gradually benefit from the Community Charter of the Fundamental Social Rights of Workers (1989), a Framework Directive on Safety and Health at Work (1989), a doubling of the Structural Funds budget and strengthening of economic and social cohesion policy (1988-1993), and the Agreement on Social Policy annexed to the Maastricht Treaty, enabling binding social dialogue to begin (1991).

While a sense of vigilance was particularly in evidence, it can undoubtedly be said that this period was marked by a degree of enthusiasm from trade union quarters – albeit tempered with criticism – for the ‘European revival’. As Jean Lapeyre points out, Jacques Delors had always been ‘aware that the revival would be based on an imbalance.

## Box 28

### The Community Charter of the Fundamental Social Rights of Workers

The Charter set out 12 key principles:

- the right to carry out any occupation in the European country of one's choosing;
- the right to fair remuneration;
- the right to an improvement in living and working conditions;
- the right to social protection under the system in force in the host country;
- the right to freedom of association and collective bargaining;
- the right to vocational training;
- the right to equal treatment for men and women;
- the right to information, consultation and participation for workers;

- the right to the protection of health and safety in the workplace;
- the right to protection for children and adolescents;
- the right to a minimum income for the elderly;
- the right to social and professional integration for the disabled.

As a formal declaration, the Charter did nothing to alter the legal status quo. The Commission therefore decided to accompany this document with a work programme containing 47 initiatives for the implementation of these rights.<sup>15</sup> In June 1997, the Amsterdam European Council agreed to include a reference to the Community Charter of the Fundamental Social Rights of Workers in the new Treaty.

It is imbalances that cause something to happen. Delors wanted the completion of internal market to take place with the involvement of the social partners'.<sup>16</sup> Whatever the case, these new 'galvanising imbalances' brought Europe out of the cautious lethargy that had afflicted it at the end of the 1970s and beginning of the 1980s. The ETUC, which had found itself isolated, was now back in the game. This allowed it to air its practical proposals for the definition of a Community social policy: fundamental social rights, a drive to tackle social dumping, a proactive policy on unemployment, a European-level industrial policy, an increase in and coordination of public and private investment and a renewal of demand.

However, it is also possible to offer an entirely different interpretation of this period, one that has been proposed by Corinne Gobin, among others. It suggests that in accepting the role of European-level partner, in particular within the social dialogue, the ETUC 'had to abandon some of the demands that proved too much of an annoyance for employers (a generalised reduction in working time and full employment, but also its vision of a model for mutually supportive and complementary global economic development) and gradually [...] adopt a view of economic management more in line with employers' thinking'.<sup>17</sup> According to this interpretation, the ETUC had become trapped to a certain extent: by agreeing to contribute to the institutional vision of a social Europe championed by Jacques Delors and his team, it found itself forced to accept employers' ideas of competitiveness as tied to globalisation and of wage costs as a factor of competitiveness. In short, the ETUC would be condemned to speak from the sidelines on the liberal undertaking to create a single market, and, moreover, to lend 'trade union support' to the policies pursued by the institutions.

It is possible to concur with Gobin in so far as, from this period onwards, the ETUC shelved its demand for a general reduction in working time across Europe. It would probably be going too far to claim that its view of economic management would, subsequently, be brought 'in line with employers' thinking'. As Georges Debunne observed 10 years prior to Gobin, an observation which applies virtually word for word in 2013, 'throughout its existence [...], the ETUC has continued to advocate a European policy that presents an

alternative to the one that has led us to the social degradation we are now experiencing. The battle for jobs has always been at the centre of its concerns. Better growth, greater public and private investment, greater monetary stability, a revival of demand, the creation of a large internal market, a dynamic industrial policy, the introduction of new technologies, the adoption of a regional policy and the protection and improvement of environmental standards are the measures it has proposed and championed, but always accompanied by a social policy aimed at tackling unemployment and establishing a 'social area' of solidarity, aims that decision-makers at European and national level have not deigned to consider.<sup>18</sup>

In any case, at the turn of the 1990s, this embryonic 'social Europe' was still more of an aim than a reality. As Mathias Hinterscheid anticipated at the Luxembourg Congress of May 1991, 'the Single Act, considered a great qualitative leap, has proved largely insufficient to establish economic and monetary union. It has become increasingly clear that, in the medium and long term, economic and monetary union can be achieved only by means of political union. And the vast majority of political leaders have finally understood that a political union without a genuine social policy built upon a broad and sound basis would be completely unacceptable for the majority of citizens, as it would threaten the existence of our social model, so valued by workers.'<sup>19</sup> He had thus foreseen the third major event that would shape the ETUC's economic and social vision for Europe.

### **5.3. Incomplete EMU and its dangers for the European social model**

The single market led to the single currency. Before the former had even been completed, preparations were launched for the latter. The ETUC was aware that economic and monetary union (EMU) would have numerous repercussions for areas at the heart of national trade union activities, in particular wage policy and employment policy. As Anne Dufresne has noted, 'wage coordination developed in the shadow of EMU just as, at the same time, social dialogue developed in the shadow of the internal market'.<sup>20</sup>

Like the single market, economic and monetary union represented both a promise and a threat. The promise stemmed from the fact that, as Dølvik describes, it 'was intended, in the long term, to free the European economy from the strict hegemony of the Bundesbank and the near monopoly on the world financial markets'. At the same time, it could 'serve as a necessary stepping stone towards establishing European macroeconomic governance, including with regard to fiscal policy, potentially allowing former expansionist policies in the area of employment to be revisited at European level, in the spirit of "Keynesianism on one continent"'.<sup>21</sup> In the short term, however, the single currency and its convergence criteria would entail economic adjustments liable to prove painful, along with public budget cuts that risked exacerbating unemployment.

The situation at the beginning of the 1990s, the period that saw the start of the process that was to lead to the euro, was marked by another, less visible but decisive, change. Noted by Bastiaan van Apeldoorn,<sup>22</sup> among others, it was the transformation of the European economic elites, the majority of whom had, until that point, advocated a form of European neo-mercantilism (the creation of 'European champions' able to compete with their non-European rivals), into leaders of a transnational capitalism, in which Europe was just one region of the world and needed to open itself up to a globalised economy. Put concisely, over the course of the 1990s, European capitalism became global capitalism. This transformation took place under the particular influence of the European Round Table of Industrialists (ERT),<sup>23</sup> a European forum bringing together heads of the largest multinationals, whose political agenda could more or less be summed up in five words: deregulation, privatisation,

flexibilisation, competition and competitiveness. According to van Apeldoorn, it held considerable sway with political leaders in the Commission and the Member States. Such an alteration of the political backdrop made the prospect of a form of Euro-Keynesianism more unlikely still, even in the context of economic and monetary union.

Indeed, a further, related threat, though one which remained hidden until the euro crisis, was the lack of economic and social convergence between the countries making up the euro area. Once Europe had put its trust in the markets and embraced globalisation, what need would there be for a 'European economic government'? Would the Member States economies not naturally tend towards equilibrium thanks to the self-regulating nature of the markets? That was the neoliberal argument and the one that still dominates today, in spite of having lost all credibility: the financial markets have regulated precisely nothing; they have heightened the imbalances. Sheep-like and irrational, they did not see the financial crisis coming, and the most disadvantaged among the population are paying a high social price for that blindness. The increasing power wielded by the markets is also the result of the Member States' inability to agree on a model of European governance. In that sense, self-regulation by the markets chiefly represents a form of political abdication.

### 5.3.1. 1992-2008: From the launch of the euro to crisis point: 'It is all going swimmingly...'

It was the Maastricht Treaty that launched the plan for a single currency in 1992. The plan had admittedly been on the European agenda since the late 1960s, but the end of the Bretton Woods Agreements and the economic crisis that followed the oil crisis of 1973 had seen it put on ice (see Chapter 2). It would take the European revival prompted by the single market for the single currency to come under consideration once again. It was thanks to the Maastricht Treaty, and the launch of economic and monetary union (EMU), that this would happen.

In terms of the monetary aspect of the venture, matters were straightforward enough: it was a question of introducing a single currency, the euro, as a replacement for the national currencies then in use in the Member States (the German mark, Italian lira and French franc etc.) That involved setting up a central bank at European level – the ECB – which would have sole responsibility for monetary policy. Acting fully independently, its job was to ensure price stability and tackle inflation. And that was it for monetary policy.

With regard to the economic side of the project, things were significantly more complex. Jacques Delors, the then Commission President, urged that monetary integration should be accompanied by tight coordination of the Member States' economic policies.<sup>24</sup> Logically speaking, that would involve appointing a sort of European economic government that would ensure the economic integration of the euro area, alongside the ECB, which ensured its monetary integration. A government of this kind would be responsible for growth and employment throughout the euro area. However, Delors went unheard by the national governments, which remained attached to their sovereignty and had no desire to hand over the reins of economic policy to Europe.<sup>25</sup> The only coordination established between them concerned their public finances: with the Stability ('and Growth') Pact adopted in 1997, governments undertook, on pain of sanctions, to maintain their budget deficits below 3% of their respective gross domestic product (GDP) and their public debt level below 60% of GDP.

The ETUC supported the planned EMU, seeing it as an essential stage in the process that was supposed to lead to real European economic governance. Its support came with several conditions, however.<sup>26</sup> First of all, the objectives should not be limited to price stability, but should extend to the promotion of growth and jobs. Next, the ECB should operate

democratically. The social dimension and the role played by the social partners should be strengthened within the European institutions. Finally, the benefits of EMU should be distributed fairly, which required a more robust European regional policy, as well as the creation of a special fund to finance it.

It also saw in the introduction of a single currency the opportunity to coordinate certain areas of taxation. After all, the ability to levy taxes was intrinsically tied to governments' ability to provide social protection and the public services society required; however, economic and monetary integration without greater coordination of fiscal policies was liable to result in 'fiscal deterioration', the erosion of the Member States' tax base. That being the case, there was a significant risk that these countries would lower taxation on mobile factors of production, such as capital, to the detriment of less mobile factors, such as labour, with unfavourable consequences for employment. For that reason, the ETUC called for Europe to meet four main challenges in the field of taxation: guaranteeing that the Member States were collectively able to provide high-quality public and social services and to achieve their economic and social objectives; coordinating the Member States' tax policies in order to tackle tax evasion and allow tax rises in order to help reduce public deficits; adopting a tax system that was better suited to promoting employment; and introducing a tax system more geared towards protecting the environment.<sup>27</sup>

While conscious of the almost insurmountable obstacles that a demand for genuine tax harmonisation would encounter (in particular, because it would have to be unanimously approved in Council), the ETUC was nevertheless calling for European action to establish minimum rules in the following areas: taxation of interest on capital, turnover tax, excise duty, corporation tax and environmental tax. This was the position it put forward at hearings within the High-Level Group on Taxation chaired by the Commissioner for the Internal Market, Mario Monti.<sup>28</sup> On the whole, these conditions implicitly called for the economic aspect of EMU to be strengthened. That was a step that many governments refused to take.

With a view to launching the planned economic and monetary union, efforts were consequently undertaken in the 1990s to secure convergence between Member States that was essentially budgetary in nature. Initially, there was barely any mention of economic and social convergence, as this was to be taken care of by self-regulating markets. Indeed, monetarist economists argued that the use of a single currency would encourage investors to look for the best returns on their investments in less developed countries such as Greece and Portugal, instead of attempting to boost profits in countries that were already highly developed, such as Germany. In this scenario, the capital flows would help boost productivity among workers in southern Europe and increase the export capacity of companies there.

It was not until the second half of the 1990s and the election, in several Member States, of progressive left-wing and centre-left governing majorities that a desire to improve the coordination of economic and social policies gradually emerged. At national level, that was reflected in the adoption of social pacts in Italy, Spain, Ireland and Germany. These pacts were 'medium- and long-term commitments of a general nature, designed to reconcile the aims of national competitiveness and employment, which covered, for instance, an active employment policy, working time, social protection and taxation. [...] Governments, employers and trade unions saw them as an alternative to the strategy advocated by supporters of a full relaxation of the markets, which could form part of a future "European social model"'.<sup>29</sup> These social pacts were clearly adopted with a view to economic and monetary union<sup>30</sup> and constituted a form of social response by national decision-makers to the challenges EMU represented for the economy. However, at the beginning of the 2000s, governments (such as the Berlusconi Government in Italy) or the social partners themselves





A large demonstration in Brussels on 13 December 2001. Yes to the euro, but in order to bring growth and jobs, not unemployment, austerity and recession.

Source: Christophe Degryse

decided not to extend these pacts, often as a result of deep-seated disagreement on what they should contain. In Germany's case, a different agenda was emerging: the Alliance for Jobs (*Bündnis für Arbeit*), which set out to lower unemployment, create jobs and boost the competitiveness of German businesses.

Measures aimed at coordinating social policies were also taken at European level. Among them, the launch of the European Employment Strategy in 1997 (see box 29) should be highlighted. It may appear surprising, but, for the very first time, the Member States '[re-garded] promoting employment as a matter of common concern' and [coordinated] their action in this respect within the Council'.<sup>31</sup>

### Box 29

#### The European Employment Strategy (EES)

The combined effect of the jobs crisis, the prospect of EMU and changes to the governing majorities in several countries (France, Germany and the United Kingdom) led, in June 1997, to the inclusion in the Amsterdam Treaty of new provisions on employment policy at European level. These provisions envisaged, *inter alia*, the development of coordinated employment strategies, measures to achieve a high level of employment in the Union, cooperation between Member States to that end and the implementation of pilot projects. The EU was therefore equipping itself with the legal basis to expand its actions in this regard.

An extraordinary European Council was held in Luxembourg on 20 and 21 November 1997. Proceedings at this summit were concerned exclusively with tackling

unemployment. For the first time, the Fifteen adopted employment 'guidelines' based on four main priorities:

- improving employability;
- developing entrepreneurship;
- encouraging adaptability in businesses and their employees; and
- strengthening equal opportunities policy.

The European Employment Strategy (EES) was thus introduced, in the chief aim of defining shared policy objectives ('guidelines'), pursuing these objectives at national level by means of 'national employment action plans' and comparing and assessing the results obtained, before repeating the exercise. As an open method of coordination (OMC) was used, the EES objectives were not legally binding. Moreover, full agreement would never be reached on the assessment of the actual results.

Following the adoption of the EES, various other ‘open’ methods of coordination were employed in the areas of pensions, social exclusion and health care, under the Lisbon Strategy 2000-2010.

Adopted by the European Council of March 2000, this ‘Lisbon Strategy’ aimed to make the EU ‘the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion’.<sup>32</sup> In terms of employment, it set the target of increasing the European Union’s overall employment rate to 70% between 2000 and 2010 and the employment rate for women to more than 60% by 2010. In March 2001, interim targets and an additional target were introduced: the overall employment rate and employment rate for women should reach 67% and 57% respectively by 2005, while the employment rate for older workers should rise to 50% by 2010.

Other objectives were set that were concerned with tackling poverty and social exclusion, mobility for workers and students and education and training, but also with research and new technologies etc. From 2001, following the Göteborg European Council, the Lisbon Strategy included a ‘sustainable development’ component, while it is generally considered that, in the beginning at least, the strategy sought to reconcile needs of an economic (competitiveness), social (employment and social inclusion) and environmental (sustainable development and efforts to combat climate change) nature (see box 30). To a certain extent, the various strategies put in place during this period served as a means of coordinating socio-economic policies.

While the ETUC lent its support to the Lisbon Strategy, it pointed out that, in its view, it could be evaluated only against the benchmark of full employment, based on a policy of growth. ‘The European Union must agree an ambitious strategy for achieving 3.5% growth which is more qualitative, employment-generating and environment-friendly. This should be supported by a “policy-mix” based on the real and determined coordination of macroeconomic policy [...]’.<sup>33</sup>

### Box 30

#### **The European strategy for sustainable development and efforts to tackle climate change**

Generally speaking, the environmental question initially presented itself as a cause for concern within the trade union movement when worker health and safety representatives began to be appointed within companies. In the early 1990s, concerns were still confined to the working environment: chemicals and dangerous substances, waste treatment, energy and transport systems etc. Trade union organisations in a number of Member States launched campaigns addressing particular environmental issues. In Denmark and the Netherlands, for instance, they focused on a reduction in or ban on the use of organic solvents in paint; in Germany, Italy, Spain and the United Kingdom on cleaning agents used

in printing; and in Portugal, Finland and France etc. on stripping products used in the construction industry.

However, these environmental and health concerns sometimes clashed with socio-economic (and employment) interests, as pointed out by one of the first discussion papers on the subject, published by the ETUC and the European Trade Union Technical Bureau for Health and Safety (the TUTB, which has since been incorporated within the European Trade Union Institute, see appendix p. 242). That was the case regarding the building of a coal-fired electric power plant in Amsterdam, to which environmentalists and the FNV trade union confederation were opposed, but which FNV-Amsterdam supported. There are countless examples of this type of situation throughout the EU, with trade union confederations and sectoral trade unions

frequently at loggerheads. Nevertheless, these conflicts only hastened efforts to reconcile environmental and social needs within the trade union movement. 'In the main, from the early 90s onward, in most EU Member States trade unions started to negotiate environmental clauses in collective agreements, at branch (i.e. sectoral) and company level [...]. At sectoral level, the chemical and metal industries (in Belgium, Germany, the Netherlands and Spain, notably) occupied a pioneering role. Company agreements with an environmental component were mainly confined to large companies,' the ETUC and TUTB observed.<sup>34</sup>

On the eve of the Göteborg European Council, which was preparing to add a 'sustainable development' component to the Lisbon Strategy, the ETUC adopted a resolution in which it set out its vision for an environment policy linked to European employment policy.<sup>35</sup> This resolution called, *inter alia*, for social dialogue to focus on finding alternatives that promoted green jobs and clean technologies, but also for economic and fiscal policies that favoured investment geared towards sustainable development.

The subject would gain in prominence, in particular following the Prague Congress of 2003; it would take a structured place among the activities of the ETUC Secretariat under the steam of Joël Decaillon, then serving as Confederal Secretary. There was a burning issue on the table at that time: REACH. In the wake of the dioxin crisis of 1999, European environment ministers had called for the introduction of a new system for regulating the use of chemicals. The Commission had proposed a policy based on three main elements: the registration, evaluation and authorisation of chemicals (hence the acronym 'REACH'). This proposal placed the trade union movement under considerable pressure; at cross-industry level, there was support for a system of this kind in the interests of improving the prevention of chemical hazards in the workplace, whereas

the European Mine, Chemical and Energy Workers' Federation (EMCEF) was predominantly in agreement with industry, which was vehemently opposed to the proposal on the grounds that it would put thousands of jobs at risk. Conflict reigned with the ETUC. Within the latter, a task force was set up in order to reach a common position. 'The DGB's shift in position was remarkable,' Joël Decaillon recalls. A resolution was adopted in favour of REACH,<sup>36</sup> which, according to him, marked 'a turning point in the history of trade unionism in the sense that we were no longer seen solely as defending jobs, but also as taking responsibility for the consequences for society as a whole of what we produced [...]. Incidentally, it is very interesting to see that the discussion in Europe today on the subject of nanotechnology is based on the progress won by the REACH Regulation, in particular through the creation of the [European Chemicals] Agency in Helsinki'.<sup>37</sup> Furthermore, this linking of the protection of occupational health and safety with consumer protection allowed the ETUC to widen its alliances. 'That was the case with the founding of the Spring Alliance by environmental non-governmental organisations, Social Platform and the ETUC,'<sup>38</sup> (see also Chapter 3).

REACH made it possible to broaden thinking on the greening of industrial systems, the creation of green jobs and global warming. The ETUC stepped up its analysis in this area, for instance with its 2007 study on climate change and employment<sup>39</sup>, which has served as a reference for the European institutions, but also for the UN and the United Nations Environment Programme (UNEP) and the International Labour Office (ILO). A series of resolutions would be adopted on this subject,<sup>40</sup> emphasising that the only route for Europe was to 'subscribe to an industrial policy combining technological and organisational innovation that is able to support a new model of growth based on production that is economical with energy and resources, in particular by means of a coherent energy and climate policy'.<sup>41</sup>

In 2004, the Commission assigned a high-level group chaired by the former Dutch Prime Minister Wim Kok (who had also served as President of the ETUC between 1979 and 1982) the task of carrying out a mid-term assessment of the Lisbon Strategy. In November 2004, it published the 'Kok Report',<sup>42</sup> which called on the Commission to refocus the Lisbon Strategy on pursuing the aims of growth and employment. Above all, the report appealed to Member States to relax standard employment contracts, create new forms of contract, boost

the attractiveness of part-time work, improve mobility for workers in the EU and facilitate temporary agencies' freedom to provide services in the European Union.

A European agenda for achieving 'flexicurity' was launched, a term intended to represent a balance between greater flexibility in the operation of labour markets, on the one hand, and the provision of an adequate degree of security for workers,<sup>43</sup> on the other. After almost allowing itself to be persuaded of the virtues of such a balance, the ETUC would soon note that while the 'flexibility' aspect was well and truly reflected in European priorities, this was less true of the 'security' element, which was, in fact, completely absent.<sup>44</sup> This concept would ultimately bring about an erosion of social rights.

By this time, it was the second half of the 2000s and Europe's entire political, economic and financial world appeared to have ears for just one word: deregulation. Following the Kok Report, the Lisbon Strategy had been transformed into an agenda for the deregulation of labour markets, but also for structural reforms, liberalisation, the removal of 'obstacles' to growth and the eradication of 'bureaucracy', the lightening of administrative burdens and the 'streamlining of the regulatory environment' ('better regulation' and 'smart regulation'<sup>45</sup> etc.). At that time, too, the integration of the financial industry was in full swing, following the adoption of the Financial Services Action Plan (FSAP) and the 'White Paper on Financial Services (2005-2010)'.<sup>46</sup> The main aim of the White Paper, according to the Commissioner Charlie McCreevy, was to 'to create the best financial framework in the world'.<sup>47</sup> It was an aim that was delivering on its 'promises',<sup>48</sup> he announced further, on 1 March 2007, six months prior to the run on the British bank Northern Rock, the first incident in the worst financial crisis Europe and the United States had ever known (see below).

Nevertheless, this new wave of blind confidence in self-regulating markets once again left the ETUC standing alone, much as it had in 1979. In January 2006, John Monks, then General Secretary, warned that, 'The Lisbon Strategy will never work if policy-makers decide that economic policy should take precedence over social policy. At the moment, there is a widely held, almost theological belief in too many Member States, and in parts of the Commission too, that any regulation will kill off growth and competitiveness and harm employment'.<sup>49</sup>

### Box 31

#### The tricky issue of wages at the heart of ECB-ETUC relations

As far as the trade unions were concerned, other than the risk of labour law deregulation, the main question that arose with regard to the single currency concerned changes to wage and employment policies. Anne Dufresne sees this issue as an extension of the political discourse that had emerged at the end of the 1970s, which called for wage moderation.<sup>50</sup> At that time, it was necessary because of soaring oil prices. In the 1980s, it was necessary in order to avoid an inflationary spiral. From the 1990s onwards, it was necessary with a view to economic and monetary union. 'Orthodox monetarists identify [...] the slowdown in real wage growth

as one of the pillars of anti-inflationary policy and a preferred method for stimulating growth and employment', she writes.

The ETUC, which had supported the creation of EMU and, in so doing, its monetarist framework and a degree of wage moderation, felt betrayed on this point. In spite of the fact that the issue of wages was a national and not a European concern, the ECB and the Commission, but, naturally, European employers too, would gradually use EMU as a pretext for including it in European discourse.

From the moment the process of EMU began, the ETUC had insisted that real convergence should be a key

objective and, consequently, growth, investment and employment.<sup>51</sup> Just as the 1990s had seen the negotiation of social pacts in several Member States, the ETUC believed that it would be asked to play a similar role at European level.<sup>52</sup> A few weeks prior to the introduction of the single currency, a meeting was held in Frankfurt between an ETUC delegation, led by Emilio Gabaglio, and the President of the ECB, Wim Duisenberg. On this occasion, the ECB set out to reassure: the institution's monetary policy would not be excessively restrictive; it would not be pursued in the sole aim of making the euro a strong currency; and the ECB would adhere to its obligation of supporting the Union's general economic policy objectives as soon as the stability objectives had been achieved.<sup>53</sup> Nevertheless, Mr Duisenberg was convinced that the unemployment was essentially due to structural factors and not to the manner in which monetary policy had been carried out. Following this meeting, it was agreed that these meetings with the social partners would continue to be held twice a year and that contacts would also be developed at a more specialised level.<sup>54</sup>

The ECB played a crucial role in the European economy: by setting key interest rates in the euro area, it influenced the outlook for growth and controlled inflation.<sup>55</sup> For that reason, it was important for the ETUC to play its part correctly in its dealings with the bank. The bilateral meetings were an opportunity not only to become better acquainted with the ECB's analysis and reasoning, but also to make very clear to the institution that there was no danger of inflation, as wages were

under control. In return, the ECB was called upon to assume responsibility for providing the conditions for growth. This interaction between the guardians of currency (ECB) and wage policy (the social partners) was supposed to take place in the context of the macro-economic dialogue established in 1999.<sup>56</sup> Very quickly, however, the ETUC noticed a tendency to translate the discussions on macroeconomic policy into 'structural reforms' (the flexibilisation and deregulation of labour markets). This change obliged the ETUC, encouraged by, in particular, the DGB, to develop coordinated and coherent positions among its member organisations and at European level, and to work on coordinating collective bargaining practices.<sup>57</sup>

Accordingly, in 1999, at its ninth Congress, it decided to set up a 'Committee for the coordination of collective bargaining'. The role of the committee, which has continued to meet twice a year, is to bring wage trends into line on the basis of the 'inflation + productivity' rule, in order to avoid wage disparities within the euro area. However, it also seeks to prevent the negative impact on growth and employment of overall demand that is lower than potential demand. To that end, it monitors trends in collective bargaining in Europe and wage developments in order to devise joint strategies wherever possible. However, it must be acknowledged that wage coordination, like the question of introducing a minimum wage in the EU, is a particularly tricky issue for European trade unionism, which has shown itself to be rather divided on these subjects.

### 5.3.2. 2008: Financial crisis, austerity and the weakening of the European social model

Although the introduction of the euro was believed to be a success, the 2008 financial crisis and subsequent occurrences in Europe would reveal its profound flaws and omissions. The flaws related chiefly to the lack of any real 'economic government', which the ETUC had been calling for since the 1990s. The blind faith in self-regulating markets had continued: 'Financial integration will lead to social benefits: better pensions, higher returns for individual investors, more venture capital available for innovation. These are vital to making the economic gains we want from the Lisbon agenda sustainable,' the former European Commissioner Frits Bolkestein declared in 2002.<sup>58</sup>

When the subprime crisis hit the United States, spreading to Europe at lightning speed, the financial aspect of this agenda – in the form of the Financial Services Action Plan – failed entirely to guard against systemic risk. In a working document, the Commission

observed, moreover, that ‘with the benefit of hindsight, it is clear that the strategy should have been organised better to focus more on critical elements which played a key role in the origin of the crisis, such as robust supervision and systemic risk in financial markets, speculative bubbles (e.g. in housing markets), and credit-driven consumerism [...]’<sup>59</sup>. The result was that, far from envisaged as part of the ‘Lisbon dream’, 2010 was not the year of competitiveness, full employment and ‘better pensions’, but that of recession, bankruptcy, unemployment, public deficits and debt and of shadows looming over the future funding of old-age pensions.

In 2008, the ETUC presented to the Commission a proposed economic recovery plan setting out emergency measures to stop the haemorrhage of jobs and to prevent the initial violent shock of negative demand from becoming a ‘great depression’ comparable to that seen in the 1930s.<sup>60</sup> In the European trade union organisation’s view, it was also necessary to resume work urgently on regulation of the financial sector and to launch a social ‘New Deal’ for Europe, reversing the trend of systematic wage cuts and deterioration in working conditions. It was a question of using wages and decent employment to drive demand and growth. This ‘New Deal’ was presented at the Commission Employment Summit in Prague and at the ETUC’s mid-term conference held in Paris in spring 2009.



**John Monks with the President of the European Commission, José Manuel Barroso (right), at the Employment Summit held in Prague on 7 May 2009. In the ETUC’s view, the crisis called for a social ‘New Deal’ and robust regulation of the financial sector.**

Source: ImageGlobe

On the face of it, the lessons to be learnt from the last 10 years of the Lisbon Strategy were clear: on the one hand, the ideology stating that economic growth should be improved at all costs by means of deregulation and flexibility in order to serve social and environmental aims was nonsense. On the other hand, it was the countries equipped with the best social dialogue and welfare systems that were most successful at withstanding the crisis.<sup>61</sup> In 2009, social regulation, social welfare and public services, seen as obsolete or even as obstacles to wealth creation, saved Europe from a depression and from unchecked social tensions. Europe failed to learn the lesson, however.

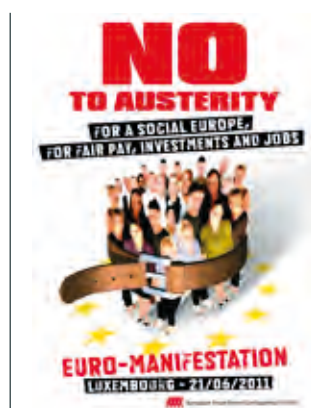
Consequently, following a beginning to 2009 devoted to rescue plans for the European economy, to the implementation of Keynesian policies and, so it was said, to the opportunity the crisis represented to instigate a ‘paradigm shift’ or to ‘rebuild capitalism’, the end of 2009 and start of 2010 told an entirely different story. It was one of the mass transfer of private banking debt to sovereign debt, Member States having no choice but to keep their respective financial industries, and the economy in general, afloat. By 2010, the crisis had not disappeared; it had merely switched sides. Essentially, it no longer affected banks and the financial sector, but Member States and their governments. The



subprime crisis had become a sovereign debt crisis. This, in turn, led to other, political and social, crises, albeit to varying degrees: throughout Europe, governments presented plans for budgetary rigour and austerity, while unemployment climbed and the European social model found itself threatened by the ‘new European economic governance’ that was emerging. Quite unexpectedly, the liberal paradigm found itself fuelled and strengthened by the crisis. It was no longer capitalism that needed to be rebuilt, but the European social model.

Many EU countries witnessed the same situations of austerity, with some variation by country: a pay freeze, or even cut, for civil servants, wage moderation in the private sector,<sup>62</sup> public spending cuts, pension reforms, reduced social benefits, a rise in VAT, labour legislation reforms and a rise in tuition fees.<sup>63</sup> Against a backdrop of rising unemployment, the circumstances were favourable for a (concerted) all-out attack on public services, but also on minimum wages, the right to collective bargaining and wage indexation systems in those countries which had them.

Deciding to ‘go on the offensive’, the ETUC organised a first European action day on 29 September 2010. The aim was to demonstrate that there was a powerful movement opposed to austerity and in favour of growth and employment that was active throughout Europe, and that solidarity was the order of the day. The ETUC, a fervent supporter of real economic governance, policy coordination and a determined battle against wage, social and fiscal dumping, distanced itself completely from the ‘austerity’ governance that was emerging. On 13 and 14 October 2010, the Executive Committee adopted a resolution calling for an economic and social government, Eurobonds to finance a major European investment scheme and the introduction of a financial transaction tax and a tax on capital or profits, as well as for a reinforcement of fair social conditions in order to tackle and prevent precarious labour practices and social dumping within the internal market.<sup>64</sup>



As Joseph Stiglitz wrote prophetically in January 2011, ‘the response to the private-sector failures and profligacy that had caused the crisis was to demand public-sector austerity! The consequence will almost surely be a slower recovery and an even longer delay before unemployment falls to acceptable levels.’<sup>65</sup>

When it came to fulfilling important public financing needs, some countries, such as Greece, Portugal and Ireland, found themselves confronted with financial markets that were increasingly demanding in terms of risk premiums, fearing that these countries could default on their payments and forcing them to pay dearly for that fear. This situation led the EU Member States to establish rescue mechanisms in the aim of protecting the euro area itself from speculative

attacks. On 11 May 2010, the Council of the European Union established a ‘European financial stabilisation mechanism’<sup>66</sup> designed to assist countries experiencing budget difficulties that posed a threat to the euro area (and to banks in the northern European countries). The agreement to introduce this mechanism was also a message to the financial markets: the EU, its Member States and the International Monetary Fund (IMF) were prepared to mobilise hundreds of billions of euro if necessary in order to defend the euro area. However, the creation of this mechanism was accompanied by a commitment from governments to reduce excessive public debts and deficits. The whole of Europe adopted the austerity mantra.

Following serious disagreement with Germany, in particular, the European Central Bank (ECB) also embarked on a rescue operation, presenting itself on the secondary markets as a 'buyer of last resort' of the debts of struggling Member States. It consequently began to spend dozens of billions of euro buying up Greek and Irish government bonds, etc. Finally, the Commission, for its part, launched a series of measures aimed at reviewing financial supervision mechanisms and the EU's methods of economic governance. It also planned to bolster the Stability and Growth Pact, primarily through ex ante monitoring of Member States' budgets as part of the newly introduced 'European Semester'. Germany and France, meanwhile, presented their controversial Competitiveness Pact, which would become the Euro+ Pact.

### Box 32

#### A response in four stages

The European response to the crisis can be summarised in terms of four key priorities.

The first concerned the introduction of crisis management and financial solidarity instruments in the event of a threat to the financial stability of the euro area: the European Financial Stability Mechanism and the European Financial Stability Facility, which have been replaced by the European Stability Mechanism (ESM).

The second priority aimed to bring the budgetary and macroeconomic imbalances between the Member States under control in order to ensure financial stability. It has resulted in a strengthening of the Stability and Growth Pact, a new procedure for monitoring macroeconomic imbalances and a fiscal compact enshrined in the Treaty on Stability, Coordination and Governance

(TSCG), concluded by 25 Member States, which lays down as a golden rule balanced public finances.

The third priority related to the recovery and recapitalisation of the banking and financial sector, along with the strengthening of financial regulation at national level and of its coordination at European level, on the basis of the recommendations set out in the de Larosière Report of 2009.<sup>67</sup> It also concerned the creation of a 'banking union' (integrated banking supervision, a common deposit guarantee scheme and a banking resolution mechanism).

The fourth priority targeted better coordination of national socio-economic policies in order to stimulate growth and employment. It has given rise to the 'Europe 2020' Strategy (an extension of the Lisbon Strategy), the Euro+ Pact and the Compact for Growth and Jobs, as well as selected provisions of the TSCG.

Nevertheless, throughout this crisis, a divide has materialised between the labour movement and the European institutions. Indeed, what is known as 'the new economic governance' and its armoury of new procedures and recommendations<sup>68</sup> has appeared primarily, as far as workers, pensioners, the unemployed and the sick are concerned, to be a series of anti-social restrictions that threaten or dilute labour law provisions. In January 2011, there were heated exchanges between the ETUC and the Commission. In a letter addressed to the Commissioner Olli Rehn, John Monks criticised the 'diktats' and the pressure from Commission officials to cut minimum wages and pension entitlements, and voiced concerns about the proposals on economic governance, which could 'reduce Member States to quasi-colonial status'. Never before had such a tone been witnessed. An exchange of letters in a similar tone followed between the ETUC and its 'social partner', BusinessEurope, which appealed to a sense of 'collective responsibility'.

Aside from the political consequences of the crisis, there has also been an unprecedented deterioration in the social climate. A deterioration that reflects the following fact:

European governments on the right and centre-right and the European institutions are unwilling to make those who are responsible for the crisis foot the bill for it. As George Irvin has observed, 'it should be clear that the general public, not the banks, will pay for the crisis'.<sup>69</sup> It is a political choice. However, the consequences of this decision in terms of disenchantment with politics – and with European politicians, in particular – will be disastrous. In the ETUC's view, Europe is once again on the wrong track (as at the end of the 1970s) in believing that austerity and structural reforms will boost growth and employment. And, once again, the facts bear it out: between 2009 and 2013, Europe has experienced recession, stagnation, mass unemployment, a rise in social inequalities and a growing economic and social divide between the core and the periphery, north and south, east and west.

The doggedness with which the European institutions and certain governments are pursuing this path of the internal dismantling of social rights and of policies that exacerbate the recession is causing the European Union to lose its legitimacy in the eyes of the labour movement. There are other policies; there are alternatives advocated by internationally renowned economists, by international organisations, by political parties, but it is no use. Europe continues its purge without batting an eyelid. In 40 years, workers have probably never felt so removed from the European project, from the promise of shared prosperity and the harmonisation of living and working conditions for the better.

**In this chapter, we have seen how the trade union vision of an 'economic and social model' has largely been shaped by three important periods: the economic crisis that erupted in 1973, bringing unemployment that would become structural, the European revival through the completion of the internal market in 1993, and the achievement of economic and monetary union, followed by the financial crisis of 2008.**

**Through the prism of these three events, we can discern the development of a trade union vision that encompasses planning for full employment, a reduction in working time, concerted public and private investment, the affirmation of fundamental social rights, efforts to tackle wage and fiscal dumping, economic democracy through social dialogue, recovery policies based on demanded growth, integration, shared resources and the upward harmonisation of living and working conditions.**

**The European trade union movement has constantly strived, without always succeeding, to embody a proactive approach. In recent years, relations between the ETUC and the European institutions have become significantly more strained. The number of areas of disagreement has increased, with attacks on wages and on collective bargaining procedures, all-out austerity policies and growing social inequalities. The trade union organisation has clearly been sidelined by the institutions and many governments. Evidently, this bears no relation to the trade union vision of the 'European social model'. It is the ETUC's belief that it will be impossible to forge ahead with anything resembling a European project without the support of the labour movement. On the basis of this conviction it proposed, in 2013, the launching of an ambitious European investment plan for sustainable growth and quality employment.**



# Chapter 6

## Economic freedoms v fundamental social rights

In essence, the challenge for a 'social Europe' was achieving a balance between the development of the internal market and the promotion of fundamental social rights. The primary definition of the internal market was the observance, among the EU Member States, of the four freedoms enshrined in the Treaties: the freedom of movement of goods, services, persons and capital. However, 'having in mind fundamental social rights',<sup>1</sup> the Member States and the EU also set themselves as objectives 'the promotion of employment, improved living and working conditions, so as to make possible their harmonisation while the improvement is being maintained, proper social protection, dialogue between management and labour, the development of human resources with a view to lasting high employment and the combating of exclusion'.<sup>2</sup>

On the face of it, there was no logical reason why the various freedoms of movement should pose an obstacle to these social rights. One of the conditions of the trade union movement's support for the single market had always been that the latter should not encourage unfair competition as regards wages and working conditions. It is in that spirit that the 1989 Community Charter of the Fundamental Social Rights of Workers should be interpreted. The assertion of these rights was supposed to ensure that heightened competition arising from free movement within the internal market did not result in social and wage dumping.

However, two insidious trends would undermine this pursuit of balance. The first was the gradual widening of the original concept of free movement to the far more general concept of 'economic freedom'. It was a concept that, as such, did not feature in the European Treaties, unlike fundamental social rights. This 'economic freedom' was presented as a right, and one to which some accorded a particularly broad interpretation.



Next, the attempt to seek a balance between the single market and respect for social rights suffered from the abandonment by Member States and the EU of the political objective of upward social harmonisation within the single market. Once this objective, in spite of being enshrined in the Treaty, had been discarded, social discrepancies became a factor of competitiveness in the eyes of economic operators. The EU Court of Justice was accordingly repeatedly called upon to decide between these rights and freedoms, with numerous businesses believing that, on one occasion or other, their ‘economic freedom’ had been curbed by collective action. Viewed from a worker’s perspective, this was seen, instead, as a response to behaviour deemed to be contrary to their fundamental social rights.

This development posed a real challenge for the trade union movement. As John Monks pointed out in 2008, there was a sense of an ‘accident waiting to happen’ in ‘the way the free movement of the single market interacts with both the national industrial relations systems and fundamental social rights. The single market is a European competence; industrial relations is a national one and they clash when free movement’s terms are established, especially when applying over national terms.’<sup>3</sup>

From a legal perspective, this debate took shape around a number of important cases: the *Cassis de Dijon* and *Rush Portuguesa Limitada* judgments, the Posted Workers Directive, the Bolkestein Directive, the *Viking*, *Laval* and *Rüffert* cases and, finally, the Monti clause. These are described in the following pages.

## **6.1. From *Cassis de Dijon* to the *Rush Portuguesa Limitada* judgment**

As obstacles to the free movement of goods began to be removed in the 1970s, the Court of Justice of the European Communities found itself having to define the concept of measures having an effect equivalent to quantitative restrictions. Against this backdrop, the famous *Cassis de Dijon* judgment<sup>4</sup> marked the start of a new approach to eliminating these obstacles to the free movement of goods, by affirming the mutual recognition principle, the potential implications of which would be the focus of much attention.

What was the case about? At the time, Germany refused to allow a German importer to import the liqueur *Cassis de Dijon* on the grounds that its alcohol content was below the minimum prescribed by German law for this category of liqueur. In its judgment, the Court ruled that, since this liqueur was lawfully produced and sold in France, German legislation placed an unjustifiable restriction on the free movement of goods. In view of the lack of harmonised European standards regarding the alcohol content of liqueur, the Court introduced a new principle: that of mutual recognition by the Member States of their respective national rules. In other words, if France permitted the sale of *Cassis de Dijon*, Germany was obliged to do the same. The Commission firmly backed the Court and ensured that the judgment received particular publicity and attention by promptly issuing an interpretative communication on the subject.

Two years later, in 1981, the Court applied the mutual recognition principle to services.<sup>5</sup> Obstacles to the freedom to provide services arising from the application of the law of the recipient country were not permitted unless the rules in force in the country of origin failed to ensure an equivalent level of protection.

In reality, these judgments gradually set in motion an approach of ‘negative integration’, i.e. integration of the European market not through the harmonisation of rules at European level but through the mutual recognition of respective national rules<sup>6</sup> and, consequently, the possibility of competition between them. Indeed, there were fears that this mutual recognition principle could result in a ‘race to the bottom’, hence the concept of



‘negative’ integration. Each Member State could be tempted to lower its (social, environmental, quality etc.) standards to prevent companies – at risk of facing unfair competition – from leaving its territory. The fears were all the greater since, with the admission to the Community of Greece in 1981, followed by Spain and Portugal in 1986, countries with yet more disparate standards of living and wage levels were now rubbing shoulders in the internal market.

The Treaty of Accession of Spain and Portugal imposed a temporary restriction on the free movement of workers from these countries to other Member States. However, in its judgment of 27 March 1990 in the *Rush Portuguesa Limitada* case,<sup>7</sup> the Court, weighing up the articles of the Treaty concerning the freedom to provide services and the derogations applicable to the free movement of workers, concluded that these derogations had no bearing on ‘the right of a person providing services in the building and public works sector to move with his own labour force from Portugal for the duration of the work undertaken’.<sup>8</sup> A Portuguese company had, in fact, entered into a subcontract with a French firm for the construction of a railway line in the west of France and had brought its Portuguese employees over from Portugal. However, in accordance with the exclusive right conferred on it by the French Labour Code, only the French National Immigration Office was authorised to recruit third-country nationals in France. The Court found that, ‘the authorities of the Member State in whose territory the works are to be carried out may not impose on the supplier of services conditions relating to the recruitment of manpower in situ or the obtaining of work permits for the Portuguese workforce’.<sup>9</sup>

This judgment aroused concerns that employers in countries in which wages were lower would employ a form of ‘unfair competition’ in the provision of services.

## 6.2. The ‘Posted Workers’ Directive

The situation in the 1990s was therefore as follows: the Europe of the Twelve was socially far more fragmented than the Europe of the Six (or even of the Nine) had been;<sup>10</sup> this Europe was busy abolishing obstacles to the free movement between Member States of persons, services and capital; it prohibited any restriction of the provision of services based on nationality or residence requirements. It was anticipated that the completion of the internal market would help to develop the provision of cross-border services and, consequently, that a growing number of firms would post workers to perform temporary work on the territory of another Member State. These were the circumstances behind the adoption in 1996, following particularly arduous negotiations that had been under way since 1991 – there were notable concerns about the likely impact in sectors in which there were a large number of mobile workers: construction, public works and the agri-food sector – of the Directive on the posting of workers.<sup>11</sup> One of the Directive’s main aims initially was to guarantee fair competition and respect for social rights.

It laid down the terms and conditions of employment applicable to posted workers and listed, in Article 3, a ‘hard core’ of binding provisions by which service providers were bound. These provisions covered the following: maximum work periods and minimum rest periods; minimum paid annual holidays; minimum rates of pay, including overtime rates; the conditions of hiring out workers, in particular the supply of workers by temporary employment undertakings; health, safety and hygiene at work; protective measures with regard to the terms and conditions of employment of pregnant women or women who had recently given birth, of children and of young people; and equal treatment and non-discrimination. The Directive further set out the ‘host country principle’, according to which the conditions of employment in the host country should apply to posted workers.



The Posted Workers Directive essentially concerns sectors with a large number of mobile workers, such as the construction industry.

Source: Christophe Degryse

For a long time, this Directive would be considered a crucial step towards ensuring a balance between the single market and social rights. The ETUC believed that the text should make a fundamental contribution in terms of fair competition, respect for workers' rights, labour law and European-level systems of industrial relations. While the European trade union movement supported worker mobility and greater openness in the employment market in Europe, it considered that they needed to be subject to strict and fair rules.

Nevertheless, the way in which the EU Court of Justice would gradually come to interpret this Directive in its case-law – an interpretation that no longer reflected the initial aims of achieving a balance between the freedom to provide services and respect for social rights – would lead the ETUC to call for its revision. A further cause of grave concern was the absence of any truly effective control mechanism. It was also the reason why, in 1999, the ETUC's Helsinki Congress would adopt the principle of European trade unionism without borders: the ETUC's member organisations would guarantee and defend the rights of all workers wherever the latter were employed and regardless of their original trade union affiliation.

### 6.3. The 'Bolkestein' saga

The removal of all obstacles to the freedom to provide services across the entire single market: such was the new objective for Europe adopted by the Heads of State and Government at their European Council Summit in Lisbon (March 2000).<sup>12</sup> In December that year, the Commission responded with an 'Internal Market Strategy for Services'<sup>13</sup> that received the unanimous support of the Member States and the other institutions. This strategy was based on a cross-cutting approach – all service sectors would be treated in the same way – and a two-stage process: firstly, an analysis of the difficulties preventing the smooth functioning of the internal market in services, followed by the development of targeted solutions to these problems, including through the adoption of a horizontal legislative instrument.

Thus, on 13 January 2004, the Commissioner for the Internal Market, the Dutchman Frits Bolkestein, presented his 'proposal for a directive on services in the internal market', which was unanimously endorsed by his colleagues in the Commission. The basic idea was to enable all service providers to operate throughout the EU in the same way as in their

country of origin (the infamous ‘country of origin principle’). As such, this directive would allow multinational firms to apply the rules in force in their country of origin when providing a service in another country.

The proposal met with an extremely strong reaction from trade unions. After all, the directive was effectively seen as a ‘licence’ to carry out social and wage dumping. A company would merely need to set up its headquarters or establish a subsidiary in a country with less stringent social or wage standards in order to secure business across the whole of Europe at a lower cost. From January 2004, Belgian trade unions sounded the alert, followed by their French and German counterparts.<sup>14</sup> The labour movement, particularly in countries with a high degree of social regulation, were fearful of relocation, or threatened relocation, or simply increased pressure to lower social standards. In practice, what was now known as the ‘Bolkestein directive’ would pit national social welfare systems against each other. Especially as public services and services of general interest (education, health, electricity and water supply, telecommunications, social housing etc.) were also included within its scope. For the ETUC, the two main unacceptable elements were the country of origin principle, which needed, quite simply, to be removed from the proposal, and public services, which needed to be excluded from its scope. At the same time, it was necessary to guarantee better protection for posted workers in relation to the provision of services.

It must be stressed that the level of response from social organisations – both in ‘old Europe’ and the new Member States – reflected the strength of feeling against this proposal. To support the numerous actions carried out at national level, two European demonstrations were organised by the ETUC at key moments in the negotiations. The first was held in the streets of Brussels on 19 March 2005, just a few days before the meeting of the Heads of State and Government on 22 and 23 March. It attracted some 80 000 protesters. John Monks declared on the occasion: ‘We don’t want Bolkestein – that Frankenstein of a Services Directive, a Directive which will, if passed, start a race to the bottom, pulling down wages, conditions and public services instead of building a Europe of high standards. Not a rush by companies to the country with the lowest costs and lowest standards.’<sup>15</sup> He called on the Commission to throw the text in ‘the waste paper basket’ and to write another that took account of people’s concerns. ‘This is a great battle in a war against the neo-liberals who want to bury social Europe. We won’t let them. Europe is not their Europe. It’s our Europe.’<sup>16</sup>



At the first major demonstration against the proposed ‘Bolkestein Directive’, held in Brussels in March 2005, it is significant that trade unions from all over Europe – from East and West, from old and new Member States – come out in opposition to a directive that would launch the race to the bottom...

Source: Christophe Degryse

A second demonstration was held on the same day that Members of the European Parliament debated the directive at a plenary sitting on 14 February 2006. The location this time was the streets of Strasbourg, with French and German member organisations and trade unionists from central and eastern Europe among the crowd of protesters.<sup>17</sup> A trade union delegation was received by the President of the European Parliament, Josep Borrell, which handed him a petition. Two days later, the majority of the trade union organisations' demands appeared to have been heeded. At first reading, a large majority within the European Parliament forced a revision of the proposal. They called for the removal of the country of origin principle, the exclusion from its scope of labour law, in particular as regards the posting of workers, the reaffirmation of respect for fundamental rights concerning collective bargaining and industrial action and the exclusion from the scope of the directive of services of general interest, as well as the exclusion of sensitive sectors such as temporary employment agencies and private security services. 'We have temporarily halted the vanguard of the neoliberal offensive against social Europe,' John Monks observed cautiously, but the 'war' continued.<sup>18</sup>

In fact, considerable pressure continued to be exerted by several political groups in the European Parliament that disagreed with this revision. Likewise, employers' federations and a number of Member States criticised various aspects of the text adopted by Parliament. On their return from Strasbourg, Polish, Czech and Hungarian trade unions were even summoned by their respective governments, which reproached them for having taken part in the demonstration: in their opinion, the directive would create jobs, as their countries would enjoy a comparative advantage in having lower wages and tax rates, as well as less strict working conditions and regulations.

In the end, under pressure from trade unions, a majority within the European Parliament, the French President, Jacques Chirac, and the German Chancellor, Gerhard Schröder, the Commission was officially asked to go back to the drawing board. It also needed to revise the Posted Workers Directive, draft a communication on services of general interest and devise a separate directive on health care. After much ado, the final vote on the revised 'Services Directive' was held in the European Parliament on 15 November 2006. It marked the end of almost three years of discussion and political manoeuvring. In the final version of the Directive, the country of origin principle was omitted and the following excluded from its scope: non-economic services of general interest (social services, education and health care), social services relating to social housing, childcare and support for families and persons in need provided by the State, by providers mandated by the State or by charities recognised as such, and the services of temporary work agencies etc. Furthermore, the Commission announced in a (non-legally binding) statement that the Directive would not affect national labour law or collective practices and that it was neutral regarding the roles of the social partners.

Commenting on the compromise, Carola Fischbach-Pyttel, General Secretary of the European Federation of Public Service Unions (EPSU) recognised it as an historic opportunity: 'It is now high time for the European Union, and the European Commission in particular, to give equal weight and consideration to building a modern social Europe. [...] The European project must now re-engage with citizens through a genuine debate on a concrete legal text for public services in the EU.'<sup>19</sup> The ETUC also welcomed the compromise secured, despite remaining critical of certain ambiguities. MEPs belonging to the European People's Party (EPP) and the Alliance of Liberals and Democrats for Europe (ALDE) had not wished to raise the subject of these ambiguities at the time of the vote; it would be up to the Commission and the Court of Justice, therefore, to clarify how things stood. These grey areas led the Radical Left and the Greens to vote against the compromise, along with some Socialists. The ETUC believed that all energy now needed to be focused on ensuring that the Directive was transposed correctly and effectively.

## 6.4. 2007-2008: Problematic judgments by the Court of Justice

Between December 2007 and April 2008, the Court delivered three judgments – in the *Laval*, *Viking* and *Rüffert* cases – in which equal treatment for employees was potentially likened to a barrier to the freedom to provide services. These judgments reflected the difficulties in applying the Posted Workers Directive of 1996, in particular in countries in which collective agreements without extension mechanism were in use; they also called into question the Services Directive compromise, which was, however, supposed not to affect national labour law or collective practices, according to the statement by the Commission (see above).

At the very least, these cases highlighted the role assumed by the Court in terms of defining European social standards, with the risk that the latter would derive not from economic democracy or political will but from the actions of judges. This expansion of the Court's role resulted, once again, from the absence of any clear balance between fundamental social rights and economic freedoms within the single market. Let us recall briefly what these cases entailed.

### 6.4.1. The *Viking* case

Viking Line is a Finnish passenger shipping company. It owned and operated a ferry named *Rosella* under a Finnish flag and with a predominantly Finnish crew, who benefited from a collective agreement negotiated by the Finnish Seamen's Union. However, in 2003 it believed that it would gain a competitive advantage by registering *Rosella*, which served the Helsinki-Tallinn route across the Baltic Sea, under an Estonian flag, replacing the existing crew with seafarers on lower wages. The Finnish Seamen's Union (FSU) consequently contacted the International Transport Workers' Federation (ITF) so that the latter could inform its members and ask them to refrain from negotiating with the company, ensuring that the FSU would retain negotiating rights as regards wages and working conditions on the *Rosella*, in spite of the change of flag. This move was opposed by Viking Line.

The matter was brought before the EU Court of Justice. It was of crucial importance not only for Finnish trade unions but also for trade unions all over Europe, as the Court would have to issue a ruling on the relationship between the rules governing freedom of movement and the protection of the fundamental right of workers to take collective action. In its judgment of 11 December 2007, the Court acknowledged that the right to take collective action was guaranteed under Union and international law. As such, it could justify restrictions on the fundamental right of establishment guaranteed in the European Treaties, including in order to protect workers and their conditions of employment. However, the ETUC noted that, at the same time, the Court appeared to restrict the scope of this justification in such a way as potentially to impede the exercise of the right of collective action, in particular in cross-border situations. According to the analysis made by the then General Secretary of the ETUC, John Monks, 'this judgement clearly gives protection to unions acting at local and national level when challenging the freedom of establishment of companies. However, it is less clear about transnational trade union rights. [...] we would have welcomed a more clear and unambiguous recognition of the rights of unions to maintain and defend workers' rights and equal treatment and to cooperate cross border, to counterbalance the power of organised business that is increasingly going global.'<sup>20</sup>



### 6.4.2. The *Laval* case

The *Laval* case, which caused a greater sensation, aroused the same concerns. In this instance, it concerned a Latvian company, Laval un Partneri Ltd, which posted workers to Vaxholm in Sweden in 2004 as part of a contract to build a school there. In the performance of this contract, Laval was not obliged to adhere to the collective agreement signed by stakeholders in the Swedish construction industry. In fact, the company would pay its staff lower wages than those guaranteed by the collective agreement in force in the country in which the services were being provided. Although the company offered to increase wages following talks with the construction trade union, the union would carry out a blockade of the site owing to non-compliance with the rules in force locally and the refusal to sign the collective agreement. The company would consequently initiate legal proceedings. The Swedish Labour Court finally referred the case to the EU Court of Justice.

While the case was already beginning to escalate, matters were complicated further when the European Commissioner for the Internal Market, Charlie McCreevy, publicly declared his support for the employers over the construction union during a short stay in Stockholm in September 2005. John Monks immediately wrote to the Commission President, José Manuel Barroso, to ask whether these views reflected those of the European Commission.<sup>21</sup> Relations grew more acrimonious.

One week after its ruling in the *Viking* case, the Court delivered its judgment in the *Laval* case on 18 December 2007. In this judgment, it concluded that the right to strike was a fundamental right, but not as fundamental as the right of companies to provide cross-border services. Key features of national systems of industrial relations were considered less important than provisions on the freedom of movement. The judgment amounted to a licence to carry out social dumping.



**Within a matter of months, the Court of Justice of the European Union hands down three judgments that appear to question the 'fundamental' nature of fundamental social rights...**  
Source: European Union Court of Justice

The ETUC, which had always championed equal treatment for migrant workers on the basis of conditions in the host country, was left in shock. In reinforcing the precedence of economic freedoms over fundamental social rights, the Court was imposing restrictions on the exercise of the right of collective bargaining and action. These judgments not only denied trade unions equality of arms in respect of cross-border European companies, but also violated fundamental rights as enshrined in national constitutions and legislation, the Charter of Fundamental Rights and numerous instruments of international law. It was following



these judgments that the call for a ‘social progress clause’ would emerge to become one of the trade union movement’s main priorities (see below).

#### 6.4.3. The *Rüffert* case

Following the *Viking* and *Laval* cases, the Court would subsequently rule in its *Rüffert* judgment that the obligation to pay employees according to the rate stipulated in a collective agreement constituted a restriction on the freedom to provide services.

In Germany, the company Objekt und Bauregie GmbH & Co secured a contract for building work in Lower Saxony. It decided to subcontract part of the work to a Polish firm, with an undertaking that the latter would ensure compliance with the wage rates applicable on the site under a collective agreement. The contract was withdrawn, however, when it was discovered that 53 posted workers were earning less than half the minimum wage for the construction sector. The relevant authority in Lower Saxony demanded costs; the firm took legal action. The case was referred to the EU Court of Justice to determine whether the public procurement rules in force in Lower Saxony were compatible with the freedom to provide services in the EU.

On 3 April 2008, the Court found that the restriction on the freedom to provide services resulting from the obligation to pay employees according to the rate stipulated in a collective agreement was not justified by the objective of ensuring the protection of workers. Once again, the ETUC condemned this ‘destructive and damaging’ decision that amounted to ‘an open invitation for social dumping’.<sup>22</sup>

Did public authorities no longer have the right, when awarding works contracts, to require companies submitting a tender to undertake to pay wages that matched the rates already agreed as a result of collective bargaining? Did the freedom to provide services now take precedence over ‘improved living and working conditions, so as to make possible their harmonisation while the improvement [was] being maintained?’ (Article 151 TFEU).

#### 6.4.4. Social Progress Protocol

The Court of Justice rulings in the *Viking*, *Laval* and *Rüffert* cases, but also in other cases, such as the Luxembourg case, demonstrated just how fragile the balance was between respect for social rights and collective bargaining, and economic freedoms within the single market. These cases led the ETUC to demand a revision of the Posted Workers Directive, but, above all, to call for the insertion of a Social Progress Protocol in the European Treaties. A protocol of this kind would clarify and determine, without ambiguity, the relationship between fundamental rights and economic freedoms. It would be annexed to the European Treaties so as to be enforced at the very highest level and influence the decisions of the EU Court of Justice.

This protocol should incorporate the following three elements: firstly, confirmation that the single market was not an end in itself but had been set up to bring social progress to the people of the Union; next, clarification that the rules concerning economic freedoms and competition could not take priority over fundamental social rights and social progress (and, therefore, that in the event of conflict, social rights would take precedence); and, finally, that economic freedoms could not be interpreted as granting undertakings the right to exercise them for the purpose of evading or circumventing national social and employment legislation or practices or for justifying unfair competition regarding wages and working conditions.<sup>23</sup>

### 6.4.5. The 'Monti clause'

While European Commissioner for the Internal Market (1995-1999),<sup>24</sup> Mario Monti appeared anxious to use his office for the benefit not only of businesses and consumers but also of workers and employment. In 1998, he oversaw the adoption of a regulation on the free movement of goods between the Member States,<sup>25</sup> Article 2 of which stated that, 'this Regulation may not be interpreted as affecting in any way the exercise of fundamental rights as recognised in Member States, including the right or freedom to strike. These rights may also include the right or freedom to take other actions covered by the specific industrial relations systems in Member States.' The 'Monti clause' had been born.

For the ETUC, this clause was essential. It was confirmation that the right to strike continued to be respected in the context of the free movement of goods. However, a series of judgments by the EU Court of Justice, including those mentioned earlier, indicated that European judges were failing to take account of the clause. In the ETUC's opinion, it was now up to the Commission and the European authorities to take the necessary steps to make clear to the Court that the rules on the internal market could not undo decades of hard work by the Member States to improve living conditions for their workers. That meant incorporating the Monti clause in all legislation concerning the single market, but also revising the Posted Workers Directive and establishing a framework for public services.



**In the opinion of Mario Monti, the European Commissioner for the Internal Market at the time, the right to take collective action cannot be curtailed by the principles of freedom of movement.**

Source: European Union

In October 2009, the Commission President, José Manuel Barroso, wished to relaunch the single market as a key strategic objective of the new Commission. To that end, he asked former Commissioner Monti to draft a report containing recommendations. The ETUC saw here a window of opportunity to push their claims for a new Monti clause.<sup>26</sup> The ex-Commissioner's report was published in May 2010 and set out a series of recommendations.<sup>27</sup> It did not neglect the social issues and difficulties that had arisen, in particular, following the judgments of the Court of Justice regarding labour law. According to the report, the internal market had never been so unpopular; it could be relaunched only on the basis of a strong consensus. Monti's suggestions included revising the Posted Workers Directive.

The ETUC's reaction to the report was generally positive. In a resolution, it underlined that, 'Monti's efforts to address the challenges raised by the ECJ cases are useful [...]. The ETUC welcomed in particular the recognition

that a clarification on the issues raised by the judgments "should not be left to future occasional litigation" and that "political forces have to engage in a search for a solution, in line with the Treaty objective of a social market economy". A central message of the report is that the tensions between market integration and social objectives have to be addressed.<sup>28</sup>

Following on from this report, the Commission published a communication on 27 October 2010 with a view to relaunching the single market,<sup>29</sup> in which 50 proposals were presented for discussion. Its proposal on the subject of fundamental rights (No 29) stated that, 'the Commission will ensure that the rights guaranteed in the Charter, including the right to take collective action, are taken into account. The Commission will first of all conduct an in-depth analysis of the social impact of all proposed legislation concerning the single market.'

In the ETUC's view, this pledge was not at all satisfactory. Its assessment of the document was damning. 'The Commission's proposals as they stand are insufficient, and, taken together with an unambitious EU 2020 strategy and the lack of a new social policy agenda for the next five years, give a worrying picture of the low priority given to Social Europe by some in the Commission and many in the Council of Ministers. If Europe fails to make [the] internal market respect workers' and citizens' rights, and if it is perceived as a tool for [...] social dumping and unfair competition, the basis of the consensus around European integration will erode quickly and the integration process will become harder.'<sup>30</sup>

Apparently keen to address these concerns, the Commission presented two legislative proposals on 21 March 2012: one on the enforcement of the Posted Workers Directive, and the other seeking to clarify the relationship between economic freedoms and social rights.<sup>31</sup> The latter took the form of a proposal for a regulation entitled 'Monti II'. Taking inspiration from several judgments of the EU Court of Justice (including in the *Viking* and *Laval* cases), the Commission proposed establishing full equality between economic freedoms and social rights. A perfectly neutral balance would be struck, it stated, and it would be up to national courts to decide between the two on a case-by-case basis.

This proposal instantly provoked strong reactions, not only within the ETUC but also in a number of Member States and within the European Parliament. In the ETUC's view, a fundamental right, by definition, could not be subject to any restriction. In this sense, the Monti II Regulation ran counter to the EU Charter of Fundamental Rights, the Council of Europe's European Social Charter (revised), the European Convention on Human Rights and ILO Conventions 87 and 98, by potentially restricting the right to take collective action. This regulation would reinforce the interpretation given by the EU Court of Justice in the *Viking* and *Laval* cases, without providing the least solution to the problems this interpretation had caused. The European Trade Union Institute's assessment was no less damning.<sup>32</sup> Faced with such an outcry, the Commission announced, on 11 September 2012, that it would withdraw the proposal.

As for the proposal for a directive 'on the enforcement of the Directive on the posting of workers', the ETUC criticised the minimalistic approach taken. Instead of duly revising the Directive in question in order to improve it, the Commission was proposing merely an implementing directive that would not prevent infringements of workers' rights, would not clarify the scope of the Directive and would not be effective in tackling fraud and 'letterbox companies'.<sup>33</sup>

### Box 33

#### Europe and the role of public services

The ETUC set out its position concerning the future of public services<sup>34</sup> in its resolution 'Towards a new impetus for public services', adopted at the meeting of its Executive Committee of 1 and 2 June 2010. The main points are as follows:<sup>35</sup>

European citizens' quality of life is determined, to a large extent, by public policies for maintaining vital infrastructure, like hospitals and roads, and for providing major social services, such as health, housing and education.

Public services are a pillar of the European social model, important for welfare and social cohesion, job creation and economic prosperity; they account for more than 26% of the EU's GDP and employ more than 64 million people. Furthermore, public investment in green electricity, renewable energies and environmentally sound transport can make an important contribution to the transition to a sustainable and low-carbon economy.

Today public services are confronted with numerous challenges: the worst economic and financial crisis since the 1930s and the austerity policies implemented

under pressure from the European institutions and the Member States. Draconian cuts in public spending are seriously jeopardising social justice and social inclusion. The absolute priority given to budget consolidation within often impossible time-frames is leading to a significant deterioration in the quality of public services and their accessibility for citizens. In practice, European policies are placing a severe restriction on the possibilities for financing high-quality public services. This interference and certain rulings of the EU Court of Justice are resulting in a slow 'creep' towards defining more and more services as 'economic', which reinforces the tendency to seek to liberalise them all.

There are, however, new legal foundations that should be used to strengthen public services. The Lisbon Treaty defines the social market economy as a new framework within which competition is no longer a goal but a tool. The Treaty reflects greater openness in the debate on services of general interest. The Charter of Fundamental Rights has become legally binding and lays down the right of access to SGEI, while several of its provisions imply the existence of a mission of general interest (e.g. the right to education, health care and to social and housing assistance etc.). The new Article 14 of the Treaty provides a legal basis for the effective provision of services so that they are able to fulfil their specific missions.<sup>36</sup> Finally, a new protocol (No 26) on SGIs lays down interpretative provisions concerning the EU's shared values with regard to SGEIs and confirms the Member States' broad margin of manoeuvre in providing, commissioning, financing and organising SGEIs to meet the needs of users as closely as possible. Article 1 of the Protocol acknowledges the essential role and the wide discretion of national, regional and local authorities.

These new foundations impose a joint responsibility on the EU and the Member States to ensure the application of the principles inherent to public services: solidarity, universal access, equal treatment, availability, continuity and sustainability of services, and user rights. The Union should now move away from the derogation-based approach that has prevailed so far to an approach of promoting public services in accordance with the concept of shared values, i.e. solidarity and social and territorial cohesion.

For that reason, the ETUC is calling urgently for:

- the Commission to draft a legislative proposal, on the basis of the new Article 14, that seeks to reinforce the specific mission of public services;
- the Member States and local and regional public authorities to establish a register of non-economic services of general interest that are excluded from the application of Union rules on the provision of services, competition and State aid;
- the EU to publish a handbook on social public procurement so that social, employment and ethical considerations can be included in contract award procedures (employment protection, working conditions and respect for ILO Conventions and collective agreements);
- a critical in-depth assessment of previous instances of liberalisation and privatisation to be carried out and, in the mean time, for a moratorium to be declared on further liberalisation (of water, waste management and domestic rail passenger services);
- the security, quality and availability of social services of general interest to be improved, to address the increasing level of legal insecurity, uncertainties and disputes with which they are faced. They should benefit from a derogation from internal market rules.

In view of this dual missed opportunity, the European trade union movement reiterated its demand for a social progress protocol to be annexed to the Treaties. Without any such clarification set in stone, Europe was condemning itself in future not to the settlement but to the multiplication of conflicts between fundamental rights and economic freedoms.

**If the ETUC supported the plans for the completion of the European single market, it was because they heralded the promise of greater shared wealth and the creation of high-quality jobs. For this promise to be realised, there must be an ongoing effort to ensure a balance between the development of the market and the championing of social rights. This balance is under threat, however: today free movement is interpreted as an 'economic freedom' that takes priority over all other considerations. It should be emphasised that free movement is not an end in itself, seeking to spread unfair competition as regards wages and working conditions in order to boost profit levels. It is a means designed to bring harmonious economic development, better living and working conditions and economic and social cohesion within Europe. It is that endeavour, and no other, which the ETUC supports.**





# Chapter 7

## Economic democracy: an inconclusive verdict

Compared with other countries of the world – including developed countries, such as the United States or Japan – Europe and its Member States have developed a very specific model of industrial relations. Trade union organisations are recognised as a legitimate interlocutor in employment policy and labour market matters. Collective action is a fundamental right. Social dialogue between employers and workers is, in principle, advocated at all levels of organisation. Workers are informed of and consulted on various issues relating to their company's economic situation, as well as regarding decisions that may affect jobs and working conditions. In some countries, they are even involved in running the company.

Admittedly, this 'social model' is better described as a mosaic, existing, as it does, in diverse forms and to varying degrees depending on the country. History, key players, political choices and economic circumstances have all left their particular mark, determining the role of the State, the level of negotiation and the manner and extent of workers' involvement etc. In spite of these differences, however, it must be acknowledged that, when it comes to the organisation of collective labour relations, European countries have characteristics in common that can be grouped under the heading 'economic democracy' and which, to use the wonderful expression coined by Gérard Fonteneau, are part of the 'European social heritage'.<sup>1</sup> It is an expression that manages, simultaneously, to emphasise the richness of this social dimension, the way in which it is passed on through time and the need for it to be preserved: in this case, nothing is ever secured in perpetuity and these characteristics must continually be strengthened in order to counter a number of increasingly oppressive human resource management strategies.

In this chapter, we shall examine how the European Union has, with great difficulty, attempted to construct a particular model of economic democracy at European

level, in a context of ‘Europeanisation’ and ‘multinationalisation’ of businesses, chiefly by means of directives aimed at involving workers and their organisations in the decisions that affect them. We shall briefly trace the history of the main directives adopted in this regard, which concern collective redundancies, information and consultation of workers, European Works Councils and worker involvement in the European Company. It is a turbulent history, as, at every stage, it has seen labour organisations clash with employers’ organisations backed, more often than not, by conservative governments. Only a handful of employers’ organisations, a minority, have supported the development of economic democracy at European level, both for ethical reasons and for the sake of social harmony. However, if it has been a difficult history, it is also because the European trade union movement has brought into contact competing models of collective labour relations. Along with different ways of ensuring – or not – a role for trade union organisations in the running of companies.

### **7.1. The beginnings of economic democracy**

In the 1960s, even before the founding of the ETUC, the question of the ‘democratisation of the economy’ was central to the demands of both the European Trade Union Secretariat and the ECFTU (see Chapter 1 for a reminder of the ETUC’s origins). A special committee was set up to address this issue, as ‘aside from purely political civil rights, workers are calling for the right to participate in and take control of economic decisions affecting their economic and social lives, whether within the economy as a whole, in businesses or in factories’.<sup>2</sup>

The impact on employment of the industrial concentrations resulting from the mass investment in Europe by multinational companies appeared a source of increasing concern. In the eyes of trade union organisations, the existence of multiple production sites belonging to one company posed a threat to the effectiveness of collective action. Workers in different countries but within the same company found themselves competing against each other. Elected employee representatives had no established right to communicate with each other across borders. Trade union strategies were certainly implemented, but on an ad hoc basis, in response to particular cases. For instance, in the late 1960s, Ford was hit by a strike campaign prompted by plans to relocate its Dagenham and Halewood plants in the United Kingdom to Germany and Belgium.<sup>3</sup> Similarly, cooperation developed between German and Dutch trade unions within the multinational AKZO in 1972, following the decision to close a factory in Breda. In reality, the expansion by multinationals, particularly those from the United States, was beginning to arouse major fears more or less all over Europe. The ETUC’s Activity Report for 1973-1975 even refers to an ‘action programme to target multinational companies’ adopted by the Nordic countries in January 1975.<sup>4</sup>

The Commission, meanwhile, saw this trend of industrial concentration as a positive development for Europe, as it was likely to narrow the technological gap separating it from the United States. As internal borders were abolished and restrictions on the right of establishment removed, it felt it was necessary to encourage the creation of European companies with a legal status that removed them from the scope of national rules. Consequently, on 30 June 1970, the Commission presented a ‘proposed Statute for the European Company’. The purpose was twofold: to enable companies to expand across borders and to lay down harmonised social standards in relation to worker representation. The idea was also to revive social dialogue and ensure that employees were better informed about the workings of cross-border companies. It reflected the desire of the Member States, which felt increasingly powerless in the face of these entities whose decision-making centres and composition were not always clearly identifiable, to impose some sort of discipline on the latter.

The ETUC was well aware that workers' right to information, which had been hard won at national level, remained 'tied to national borders' and consequently continued to be 'restricted by decision-making procedures in multinational companies'.<sup>5</sup> It was therefore necessary to establish rules on worker representation within multinationals that, if not global, were at least European in scope. In the event, this would prove particularly arduous, owing, in part, to the vastly differing national traditions and practices in this regard.

This complex issue would crop up in several proposals for directives drawn up at that time by the Commission: the aforementioned proposal for a Statute for the European Company, but also the proposal for a directive coordinating company law in the Member States – the 'Fifth Directive' – which envisaged a 'right to scrutiny' for employees in respect of the running of companies, along the lines of the German two-tier system (a clear division between management and supervision), and set out a model for worker representation on the supervisory board. In addition, the proposal for a directive safeguarding social rights and benefits in the event of the transfer or merger of undertakings also laid down a procedure for informing and consulting the workers affected.

While, generally speaking, the ETUC was unanimous in calling for the creation of mechanisms for informing and consulting workers, and while there was a broad consensus on the scope of these mechanisms (*information* on the company's economic situation – production costs, market trends, order books, etc. – and *consultation* on decisions liable to affect jobs and working conditions – changes in the company's organisation or objectives, the scaling back or expansion of activities, and the cessation of business or transfer of a company etc.), this consensus did not extend to the *participation* of workers. Consequently, the idea of transposing the German co-determination model to Community level by no means had the universal seal of approval. In Belgium, the FGTB could not accept this model for the 'co-determination of industrial capitalism'. In France, too, the dominant CGT and CFDT trade unions refused to 'compromise' themselves in such a system.<sup>6</sup> The organisations' differences in approach were too vast and the discussions indicated that the time was 'not yet ripe' to expect to achieve any consensus in this area. Positions would certainly shift over time, but, in the mean time, at its Congress in Copenhagen in May 1974 the ETUC was unable to agree on an action programme for industrial democracy.<sup>7</sup>

Furthermore, in view of the political opposition its proposal for a directive had attracted from numerous quarters,<sup>8</sup> the Commission was forced, in the end, to abandon the creation of a Statute for the European Company. Even employers' organisations were unable to support the proposal; UNICE (now BusinessEurope) voiced its firm opposition to legislation that would, it believed, undermine the freedom to manage staff. In 1982, the Council of Ministers suspended the discussions on the subject. The time was not right; the proposal would eventually be adopted in 2001 (see below).

While the plans for information and consultation in European companies failed to meet with approval, another proposal for a directive would prove more successful: the Directive on collective redundancies, included in the 1974 social action programme, was adopted by the Council of Ministers on 17 February 1975.<sup>9</sup> As Jean Degimbe has noted, this Directive can be viewed in connection with the concept of worker participation,<sup>10</sup> albeit in relation to redundancies. At any rate, it was the first European Directive to lay down an express requirement for workers to be consulted whenever an employer planned to make mass redundancies. These consultations, Article 2 of the Directive stated, 'shall, at least, cover ways and means of avoiding collective redundancies or reducing the number of workers affected, and mitigating the consequences'. Employers were also obliged to provide workers' representatives with all relevant information (reasons for the redundancies, the number of workers to be made redundant and the period over which the redundancies were

to be carried out), to enable the latter to make constructive proposals. Furthermore, the Directive required employers to notify the authorities of the planned redundancies, which could not take effect earlier than 30 days after their announcement. This legislation would be followed in 1977 by a directive safeguarding workers' right to information and consultation in the event of mergers and acquisitions. It was a second (small) step towards industrial democracy at European level. The 1980s, however, would serve only to confirm the numerous obstacles standing in the way of this development.

## 7.2. The 'Vredeling Directive': a long and difficult journey

In October 1980, just as the Jenkins Commission (1977-1980) was coming to the end of its term, the Commissioner Henk Vredeling, who was responsible for social affairs, launched a proposal for a Directive on 'procedures for informing and consulting the employees of undertakings with complex structures, in particular transnational undertakings'.<sup>11</sup> This proposal made it obligatory for employers to consult employees' representatives prior to any restructuring and to initiate negotiations with the latter if the restructuring involved a worsening of employment or working conditions, and introduced the possibility for trade union representatives to raise the matter with the parent company if its subsidiaries had failed to provide sufficient information, while a system of penalties would be established by the Member States, applicable in the event of non-compliance with these provisions. It was the start of a highly contentious legislative process that would last no less than 14 long years.



**In October 1980, Henk Vredeling, at that time the European Commissioner responsible for social affairs, presents the first proposal for a directive on the information and consultation of workers in multinational companies.**

Source: European Union

From the outset, the proposal was welcomed by the ETUC. One of its Secretaries at the time, Ernst Piehl, believed that, 'the most important benefit is the "binding" character for which the EEC has opted, as the first – and so far only – international body to do so, in order to enforce workers' rights'.<sup>12</sup> The ETUC recognised the proposed 'Vredeling Directive' as implementing some of its demands and forming a necessary complement to the codes of good conduct adopted by international bodies such as the OECD and ILO, which had, however, yet to prove their worth, owing to their voluntary, non-legally binding, status. Indeed, a study carried out by the TUC in 1979 had shown that the OECD guidelines had made barely any impact on the behaviour of foreign multinationals in the United Kingdom. For that reason, the European trade union movement felt that additional and more robust instruments were required; the Vredeling Directive fitted that definition.<sup>13</sup>

Unsurprisingly, employers were resistant to the proposal. Multinationals, in particular those from the US, but also UNICE and the International Organisation of Employers, would deploy all their energy in opposing this text, criticising its aims and warning of its economic impact.<sup>14</sup> The business world would focus its criticism on four points: the measures proposed were based on an incomplete understanding of company decision-making processes and industrial relations practices; they would create delays and difficulties in implementing technological changes without bringing any benefits for employees; there was no need for



European legislation of this kind; and guidelines had already been drawn up by the ILO and OECD at international level and had the backing of employers. As far as the latter were concerned, the Vredeling proposal would diminish the authority of company directors and risked destabilising national systems of industrial relations. In addition to this criticism, the argument of a ‘threat to competitiveness’ was widely used, while American multinationals claimed to be particularly shocked by the system bypass arising from the extraterritorial authority exercised by the Community over foreign multinationals with subsidiaries in Europe.<sup>15</sup>

The political climate of the early 1980s was generally sympathetic to the arguments put forward by the business world. In the United Kingdom, Margaret Thatcher was busy launching the neoliberal revolution, soon to be joined by the new President of the United States, Ronald Reagan. In the European Parliament, the centre-right majority formed of a large proportion of Christian Democrats, along with conservatives, liberals and Gaullists, were attentive to employers’ grievances. In other words, the trade unions had little room for manoeuvre.<sup>16</sup> Throughout 1981 and 1982, the document was the subject of debate within both Parliament, which attempted to strip it of its substance, and the Council. In 1983, the ETUC observed that ‘the “conservative shift” witnessed recently [which had handed power to right-wing governments in the majority of EEC Member States] has also had a direct impact on the turn taken by negotiations on the Vredeling Directive. This shift in the balance of political power has simultaneously reinforced the pressure exerted by multinational groups and impeded the efforts of the trade unions and their political allies.’<sup>17</sup>

It should also be noted that the ETUC did not mobilise – or not sufficiently, according to some – its national members to put pressure on the Member State governments. A group of left-wing MEPs consequently distributed a pamphlet in 1983 containing the following statement: ‘The secretariat of the European Trade Union Confederation followed the events closely, maintained a critical stance throughout, and lobbied and informed members of the European Parliament. But it seems not to have seen it as its task to mobilise unions and workers throughout the Community in support of the Vredeling Directive. National unions were not well informed, and most of them paid little attention to what was happening at the European level. They also made little or no effort to inform and mobilise the rank and file: not untypical is the case of a Danish trade unionist, working in a major multinational, who first heard of the struggle around the Vredeling text by chance, during a visit to Brussels... in May 1983.’<sup>18</sup>

### 7.2.1. Battle lost

On 13 July 1983, the Commission submitted an amended proposal for a directive that attempted to take account of the discussions taking place within the Council and Parliament. However, positions were hardening, in particular that of the British Government. In May 1986, at the suggestion of the Dutch Presidency, the European Council decided to put the matter on hold until 1989. European and US employers and the British Government had won the battle. For the ETUC, it was defeat. Its hopes of seeing a genuine trade union counterweight emerge within the multinationals were disappointed. However, while the battle had been lost, the war was far from over.

In 1986 and 1987, two successive scandals erupted that threw into sharp relief the ‘savage’ behaviour of the multinationals. In July 1986, the French firm Michelin closed its Belgian plant, located in Zuun, near Brussels. A thousand employees found themselves without a job, neither the authorities nor the works council having been given any prior

warning, with the exception of a last-minute memo. The multinational was accused of having failed to comply with Belgian legislation and with the 1975 Directive on collective redundancies. Michelin had also failed to follow the voluntary code drawn up by the OECD. The ETUC, European Metalworkers' Federation, European Chemical Industry Council, European Parliament and Belgian Government all condemned the scandalous conduct. Less than a year later, in 1987, it was the turn of the board of the multinational Memorex to make the brutal decision to transfer its distribution centre from Herstal in Belgium to Maastricht in the Netherlands, to the anger of the Belgian trade unions. As far as the ETUC was concerned, there was a real contradiction between the existence of national rights guaranteeing worker participation and the absence of rules at international and European level. At its 1988 Stockholm Congress, it called for workers and their representatives to be granted the right to take part in the decision-making process at company or group level and to appoint representatives to company supervisory boards.



**July 1986: the French company Michelin's closure of its Belgian plant in Zuun, near Brussels, without any prior warning helps to reignite the debate concerning the 'savage behaviour' of multinationals and the need for workers to be consulted.**  
Source: ImageGlobe

### 7.2.2. Revival

As we have seen, the proposal was put to one side by the European Council until 1989. It returned to prominence in a year that saw two important developments alter the landscape. Firstly, the Community (minus the United Kingdom) was preparing to adopt the Community Charter of the Fundamental Social Rights of Workers. One of the principles explicitly laid down in the Charter was the right to information, consultation and participation for workers.



At the same time, the prospect of the completion of the single market in 1992 once again raised the question of the Statute for the European Company – and, accordingly, the related issue of worker involvement. The initial idea was to have a statute of this kind in force by 1 January 1992. It was against this fresh backdrop that the Commission presented a new proposal on 12 July 1989, which it cleverly pushed as a means of freeing companies ‘from the legal and practical constraints on firms inherent in the existence of twelve separate sets of rules’.<sup>19</sup> It was the business world it needed to convince. In terms of the place workers would occupy in this European company, it is an understatement to say that the Commission chose its words carefully. ‘The basic principle could be summarised by saying that some form of participation is an essential feature of every SE [European company], with a regular supply of information to the employees and consultation before the application of decisions in certain specific cases.’<sup>20</sup> In other words, workers would be consulted on major decisions, such as the closure or relocation of sites, a significant restriction on or expansion of the company’s activities, the founding of subsidiaries and important organisational changes within the company. However, the day-to-day management of the European company would be left up to its directors. There were still many twists and turns ahead and the matter would not ultimately be resolved until October 2001 (see below).

However, it allowed the revival of the equally contentious issue of the right to information and consultation within multinationals in general (through the setting up of ‘European Works Councils’). Numerous incidents later (see box 34), this right was finally recognised in 1994 with the adoption of a Directive ‘on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees’.<sup>21</sup> (For a detailed analysis of this Directive, see works by Jeremy Waddington and Norbert Kluge listed in the Bibliography.)

### Box 34

#### European Works Councils: the first failure of social dialogue

It was 1993; the Maastricht Treaty had just entered into force. Its ‘Agreement on Social Policy’ granted the Council of the European Union the new possibility of adopting directives by qualified majority in selected areas, including the information and consultation of workers. At the same time, it allowed the European social partners – the ETUC, UNICE and CEEP (see Chapter 4) – to negotiate among themselves agreements that could be converted into directives. One of the burning social topics at that time was the proposal for a directive establishing European Works Councils presented by the Commission. This proposal followed on from the promises made by Jacques Delors at the ETUC’s Stockholm Congress of 1988 concerning the social dimension of the single market (see Chapter 2). However, the idea of setting up councils of this kind

in multinational companies came under fire from both the European business world and from multinationals across the Atlantic that had subsidiaries in Europe.

Against all expectations, the European employers’ organisation UNICE, which was critical of the Commission’s proposal for a directive, nevertheless announced, on 20 September 1993, that it was ‘ready to develop an effective and mutually acceptable framework for the information and consultation of workers’<sup>22</sup> through social dialogue and, consequently, through negotiations with the ETUC. It was an opportunity to inaugurate, as it were, the new provisions of the Maastricht Treaty. ‘To be quite honest, UNICE had taken us by surprise,’ the former General Secretary of the ETUC, Emilio Gabaglio, recalls.<sup>23</sup> However, he believes that behind this offer to negotiate was a clear desire on the part of employers to ‘water down the Commission’s proposal for a directive, which had been deemed too restrictive by the business world’.

Should this 'offer' be accepted? The ETUC's Executive Committee discussed the matter at length and ultimately agreed to the offer, as it would have been contradictory to refuse to enter into negotiations of that kind after having campaigned for social dialogue at European level. Thus it was that, in the first few months of 1994, three meetings of the Social Dialogue Committee took place, the aim of which was to reach an agreement between UNICE, CEEP and the ETUC on the content of future negotiations (although this did not, incidentally, prevent UNICE from helping to mobilise the US business world against the planned European Works Councils: on 28 February 1994, the United States Council for International Business held a special meeting in Washington DC to support UNICE in its efforts to block any legislative proceedings, and to establish an offensive strategy for US companies).

After much ado, a pre-agreement was finally concluded between UNICE and the ETUC on 29 March 1994 concerning the arrangements for and content of the negotiations. The ETUC Secretariat initiated an urgent procedure to obtain from its members a mandate to negotiate

on that basis. The following day, however, events took a dramatic turn: the CBI (Confederation of British Industry) distanced itself from UNICE and withdrew from the negotiation process. That meant that any agreement between UNICE, CEEP and the ETUC would not apply to companies and workers in the United Kingdom. In simple terms, European Works Councils would exist in multinationals throughout Europe, but not in the United Kingdom, something that the ETUC could not accept. On 30 March 1994, it ended the process of social dialogue on this issue and called on the Commission to press ahead with tabling a legislative initiative.

The Commission accordingly resurrected its proposal for a directive, which would be adopted on 22 September that year.<sup>24</sup> This first 'failure' of social dialogue was consequently 'made good' by the legislative action initiated by the Commission. The social partners, meanwhile, would learn from this failure and set about ensuring that the social dialogue regained its momentum, resulting, one year later, in the first negotiated agreement – on parental leave (see Chapter 4).

The adoption of the European Works Councils Directive represented a victory for the ETUC. With a view to setting up information and consultation bodies within all multinationals, its Executive Committee called in October 1995 for all the companies affected to begin negotiations with trade unions right away. This appeal did not go unheeded. According to the 'worker-participation' database managed by the European Trade Union Institute, as of 2013, 973 multinationals had set up information and consultation bodies in Europe. This figure falls short, however, of the total number of multinationals in which such bodies could be set up.<sup>25</sup>

### 7.2.3. An initial assessment

In spite of this quantitative success, the practical enforcement of the principles of information and consultation sometimes left something to be desired and was not always taken as seriously as it should be by employers. Some saw information and consultation merely as a means of legitimising decisions that had already been taken. The opportunity to forge genuine dialogue with workers' representatives was not always grasped. On top of that, the European federations and national trade union organisations were hampered by a lack of resources. Finally, the heterogeneity of existing models of representation constituted a real obstacle. However, in other respects, a great many European Works Councils succeeded in demonstrating their capacity to encourage change; in so doing they showed their true value in terms of strengthening the ability of local trade unions and workers' representatives to act in unison across borders.

The ETUC strived to provide these councils with practical assistance. And to uphold the principle and methods in dealings with leaders of organisations within the international trade union movement, who viewed these Works Councils as an obstacle to international

solidarity. In the ETUC's eyes, they played a key part in European industrial relations, guaranteeing that workers were involved in the changes taking place. Nevertheless, there is always room for improvement, and without a healthy dose of cooperation, the development of this tool could not be used to full effect. In 1997, Louis Schweitzer, the CEO of Renault, would, quite unintentionally, lend new and powerful political impetus to this cause...

### 7.3. The Renault-Vilvoorde affair

On 27 February 1997, a social crisis struck Belgium, quite out of the blue. In the depths of winter, the French car manufacturer Renault announced the closure of its factory in Vilvoorde, to the north of Brussels, resulting in the loss of 3 100 jobs. According to the statement released that day: 'The board of Renault Industrie Belgique S.A. regrets to inform you of Renault's decision to cease its vehicle assembly activities at Renault Industrie Belgique S.A. This decision marks the end of all operations at Renault Industrie Belgique S.A. and, more generally, the complete closure of the company. [...] This restructuring makes it necessary to close Renault Industrie Belgique S.A. This factory is, in fact, the only one in the group for which production can be transferred to another site and whose closure will allow significant streamlining of production [...].' Production of the Mégane could be concentrated at the Douai (France) and Palencia (Spain) plants, with production of the Laguna restricted to the Sandouville site (France). Overnight, no fewer than 3 100 people working for a still-thriving company found themselves facing the unthinkable prospect of complete and permanent closure.



Following the sudden closure of the Renault factory in Vilvoorde, a national demonstration for employment supported by the ETUC is held by Belgian trade unions on 16 March 1997 and attended by French trade union delegations and politicians.

Source: ETUC

Straight away, the Belgian trade unions decided to occupy the plant and prevented cars fresh off the production line from leaving the site. They 'took the keys of 5 300 vehicles, considered the spoils of war'.<sup>26</sup> On 7 March 1997, Belgian, Spanish and French trade unions (with the exception of the CFE-CGC)<sup>27</sup> called for a one-hour work stoppage across the group's European plants. This rallying cry was largely obeyed. The press talked of the first 'European strike' launched within a multinational group.<sup>28</sup> This European collective action would be followed by a joint demonstration by 10 000 Belgian, Spanish and French employees at the Renault headquarters in Billancourt. A large national demonstration for

employment, for which the ETUC voiced its support, was held in Brussels on 16 March 1997, having been organised by the Belgian trade union confederations, joined by French trade union delegations and politicians.<sup>29</sup>

However, attention very quickly turned to the European Directives and the social obligations they laid down: had they been respected? Were their provisions adequate? Was it not necessary to recast the existing legislative framework or to adopt new, more binding rules? The Renault-Vilvoorde affair would consequently have a significant impact in three specific areas: it would allow a directive to be adopted that created a 'general framework' for informing and consulting workers in all companies; it would play a part in the revision of the Directive on European Works Councils in multinationals; and it would influence the renewed discussions on the European Company and worker involvement.

### 7.3.1. The 'Renault-Vilvoorde' Directive on national-level information and consultation

The closure of Renault's Vilvoorde plant was, according to the ETUC, an infringement of the legislation on collective redundancies. It reiterated its repeated calls for the inclusion of a chapter on employment and social rights in the new treaty being discussed at that time (which would become the Amsterdam Treaty). It demanded a European code of conduct with strict measures linking public employment subsidies to penalties for non-compliance with the law. It also called for increased rights for workers and their representatives within undertakings. It was of particular importance for all workers to be represented regardless of the size of the company or of their employment status and for procedures for informing and consulting employees genuinely to be put in place. Companies should be required to publish a social report on their activities in this area. Finally, plans should be made to set up supervisory bodies in companies operating in two or more EU Member States, in which trade union representatives could participate.

The Commission took action in November 1997, eight months after the announcement of the Renault-Vilvoorde closure. It launched a consultation of the European social partners (the ETUC, UNICE and CEEP) on information and consultation, to enable them to negotiate amongst themselves the content of a framework agreement on the subject, which would subsequently become a directive. The ETUC's Executive Committee was quick to give its consent to the opening of negotiations with UNICE and CEEP. In March 1998, however, it met with a refusal from UNICE.

Faced with this abortive social dialogue – the second such failure since the entry into force of the Agreement on Social Policy annexed to the Maastricht Treaty – the Commission presented a proposal for a directive in November 1998 that fell short of trade union expectations. The directive would not be adopted until four years later, after countless debates within Parliament and the Council; this was the famous 'Renault-Vilvoorde Directive' establishing a general framework for informing and consulting employees.<sup>30</sup> It obliged each Member State to introduce a requirement for companies to establish an effective, permanent and regular procedure for informing and consulting workers regarding all matters relating to recent and likely changes affecting their activities, their financial and economic situation, the development of employment and, in particular, decisions that could result in substantial changes in work organisation.

This general framework was intended to reinforce the European Works Council Directive, which would, itself, undergo revision (see below). This objective would be achieved with only partial success, given the bare-bones interpretation for which certain Member States opted when drafting their transposition measures: some countries, including the UK,

had still to establish any particular penalties in the event of an infringement of the right to information and consultation.

### 7.3.2. Partial revision of the European Works Council Directive

Was the Renault-Vilvoorde affair merely distracting attention from the much bigger picture of industrial relations within multinational companies? ‘Far too often, what European Works Councils do in practice is not in keeping with the aims of the Directive,’ the ETUC noted. ‘The Renault-Vilvoorde case is just one of many examples of how dialogue with workers’ representatives has been neglected and an opportunity wasted.’<sup>31</sup> The affair was therefore an indication that the European Works Council Directive was in need of revision.<sup>32</sup> The problem lay with both the quality of its transposition into national law and the content of the Directive itself. It remained unusual for workers to receive early and full information concerning management decisions; works councils were rarely involved in the company decision-making process; they were unable to play an effective role in managing changes; and in most cases they were consulted only once decisions had been taken at management level. From the trade union movement’s point of view, therefore, additional consultation procedures were required, but, above all, there needed to be appropriate penalties if a company failed to meet its obligations.

The ETUC proposed to UNICE, the employers’ organisation, that the two partners should adopt a binding joint declaration on this matter. It was an offer that UNICE was quick to refuse. Joining forces with its federations, the ETUC therefore decided to mount a campaign calling for a revision of the European Works Council Directive, culminating, on 31 October 2000, in a demonstration in front of the premises of UNICE and the Commission’s Directorate-General for Employment. A hearing was held at the European Parliament on 25 April 2001. It appeared to bear fruit, as the latter institution adopted a report in July that supported the majority of the trade union demands. However, the Commission dragged its feet. Employers’ organisations declared their opposition to any revision of the Directive, while the Commission failed to take any particular action to that end.

It was not until May 2004 that the first stage of consultation with the social partners on this issue would begin. Without success, as nine months later the procedure had yet to get going, owing to a lack of will on the part of employers. The ETUC called on the Commission to re-launch the revision process. This it eventually did – in February 2008. The European trade union movement was doubly pleased, firstly because the Commission had finally awoken from its prolonged inertia, but also because its proposals looked encouraging. ‘We strongly support the opinion of the Commission that [European Works Councils] must be in a position to play their full part with regard to development in undertakings, anticipating and accompanying change, and fostering genuine transnational social dialogue in a rapidly changing economic and social context,’ stated Reiner Hoffmann, the then Deputy General Secretary of the ETUC.<sup>33</sup> The Commission had addressed a number of relevant issues. It had also made explicit reference to Article 27 of the Charter of Fundamental Rights, according to which the right to information and consultation was a fundamental social right. The ETUC concluded from this that workers in companies with fewer than 1 000 employees could no longer be denied this right; it was time, therefore, for a significant reduction in this threshold (set at 1 000 in the existing Directive).

Reiner Hoffmann also noted a change in the attitude of employers’ organisations. ‘It seems that they have changed their view and are more open to a negotiated solution,’ he observed. Indeed, in April 2008, employers agreed to enter into negotiations on this subject.



Nevertheless, after only a few days it became clear that, in reality, there was no possible basis for consensus between employers and workers. The ETUC broke off the negotiations. According to its General Secretary, John Monks, 'given the time constraints and the depth of differences with the employers over European Works Councils, it is not practical to expect talks to succeed in a short period. We are therefore calling on the Commission to follow up its consultation document and act decisively both to strengthen European Works Councils and worker and union participation. We are also calling on the European Parliament and the Council of Ministers to support our position.'<sup>34</sup>

During the summer of 2008, the French Presidency of the European Council took the General Secretary of the ETUC and the Director General of Unice to one side and said he would lead a revision of the European Works Council Directive if the social partners could reach an agreement. It was summer and the French needed a quick timetable. An intensive but entirely informal process took part and reached an agreement.

There was criticism within the ETUC that the proper procedures of the social dialogue had not been used but the outcome was endorsed by the ETUC executive council as a step forward for European workers.



**Faced with the European employers' refusal to learn from the Renault-Vilvoorde affair, the ETUC calls for a revision of the European Works Council Directive, including by means of a demonstration on 31 October 2000 in front of the premises of UNICE (now BusinessEurope) and the Commission's Directorate-General for Employment.**

Source: ETUC

The social partners were thus able to submit a joint opinion on this topic to the Council and Parliament. The corresponding discussions and debates within Parliament and the Council resulted in the adoption on 6 May 2009 of a revised version of the European Works Council Directive.<sup>35</sup> Although its practical impact remains uncertain, and in spite of the fact that it did not meet all the trade union demands, the Directive ensured that the councils would now be equipped with better tools with which to enforce their right to information and consultation.<sup>36</sup>

### 7.3.3. Towards a European Company

While attention was focused on information and consultation 'in general', and on works councils in multinational companies, the question of a Statute for the European Company ('*Societas Europaea*' or SE), and the involvement of workers in these future SEs, remained ever present. The time had not yet been ripe for the project in the 1970s and 1980s (see above), but the late 1990s appeared to provide a more favourable context for its refinement.



With the ‘single European market’ having been completed and the prospect of a single currency looming, this decade was marked by a series of large-scale company mergers and acquisitions. The SE Statute was of potential interest to companies whose activities were governed chiefly at European level.

For the trade union movement, the stakes were clear: there could be no SE without worker involvement. In this respect, there was no doubt that it would be necessary to take account of the lessons learnt with the European Works Councils, but the rules on consultation within SEs would need to be made more robust and not simply copied from the European Works Council Directive (as the latter concerned only information and consultation, but not the ‘participation’ of workers). Moreover, there had to be assurances that a national undertaking could not assume SE status in order to circumvent national legislation. Finally, there were other questions to be answered: at what level would the thresholds be set for applying the standard rules in the event of the failure of negotiations? Should they apply in all circumstances or would exceptions be permitted? Would mergers be authorised as a means of forming a European Company?

At the Commission’s initiative – and the ETUC’s suggestion – an expert group chaired by former Commissioner Étienne Davignon was set up in November 1996. Its task was to find a solution to the question of worker participation in order to break the deadlock surrounding the SE Statute – after all, this social issue had been causing controversy since 1970. ETUC was represented by its former President Ernst Breit. The Davignon group submitted its report in May 1997, three months after the eruption of the Renault-Vilvoorde affair and at a time when emotions were running high. It unmistakably linked the SE Statute with the close and permanent involvement of workers at all levels of decision making. This move was welcomed by the trade union movement, which endorsed the approach put forward, while supporting the principle of a European reference clause (minimum provisions to be applied should negotiations on the practicalities of worker participation end in failure). The ETUC also stressed the need for the European trade union federations to be formally involved in these negotiations.

In spite of all the energy invested in bringing this matter to a conclusion, it proved impossible to reach a compromise at the Social Affairs Council of December 1997. The European reference clause (applying a set of standard principles) was rejected by the majority of Member States, even though, in the case of the European Works Councils, it had demonstrated its worth in terms of ensuring that the parties remained at the negotiating table. More generally, the impasse was caused by the clash between national cultural models. The fundamental issue could be summarised as follows: by whom should companies be governed? ‘The British and French approach is to put control in the hands of the managers and shareholders, whereas the German tradition of co-determination grants significant powers to employees within the company’s very structures.’<sup>37</sup> If, then, a European company was to be created by merging national undertakings with different traditions, which model should prevail? ‘The proposal for a Regulation favoured the German model, which caused reservations among other Member States, most notably Spain.’<sup>38</sup>

### **Compromise, at last...**

Finally, after numerous revisions, amendments, delays and fresh proposals, a political compromise was secured at the Nice European Council of December 2000. This compromise paved the way for the formal adoption by the Council on 8 October 2001 of the Regulation on the Statute for a European company (known by the Latin *Societas Europaea* or ‘SE’) and the Directive on the involvement of employees in these SEs.<sup>39</sup> Some 30 years after the

Commission's original proposal, the European Company had become a reality.<sup>40</sup> As far as the ETUC was concerned, lessons had been learnt in this regard since the Renault affair, as new provisions had been included that were stricter than those governing European Works Councils.

In terms of worker participation, a balance had been struck between several models. First of all, this 'participation' was defined as a form of involvement in the supervision of a company and the development of its strategies (and not in the day-to-day running of the company, which was the responsibility of its management). Next, participation could follow various different models: the inclusion of workers in the company's supervisory or administrative body; the creation of a separate body representing the employees of the SE; or the introduction of any other system by agreement of the management or administrative organs of the founding companies and company employees. It was necessary to comply with the level of information and consultation required for the 'separate body' approach. If the two parties could not settle on a satisfactory arrangement, a set of standard rules, laid down in an Annex to the Directive, would apply. These rules covered both representation at board-of-directors level, in some cases, and a 'works council-style' structure for the purposes of information and consultation, in which employee representatives from all relevant countries were involved. The Directive stated, further, that no SE could be formed by general meeting unless a participation model had been chosen.

Finally, with regard to the tricky issue of SEs resulting from a merger – the question responsible for the deadlock that had persisted until the Nice European Council of December 2000 – the compromise stipulated that the standard rules concerning worker involvement would apply if at least 25% of employees enjoyed the right to participate in decision making prior to the merger. Spain, which was the last country to yield in the matter, had never really come round to the idea of the Nice compromise. It had won the right not to transpose the text into national law, but, in return, no European Company planning a merger could set up its headquarters in Spain (unless an agreement was concluded between management and employees with a view to governing the latter's participation in company decisions by that means).

### **An initial assessment**

Since the legislation's entry into force in October 2004, no fewer than 1 966 SEs have been registered in the EU (as at 1 October 2013), according to the European Trade Union Institute database.<sup>41</sup> If many SEs have failed to conclude an agreement on worker participation, it is because a significant proportion of them are actually 'empty shells', which, by definition, have no employees at the time of their founding and in which it is technically impossible to appoint a special negotiating body. However, in more than 100 companies, trade unions and employee representatives have successfully negotiated the transnational representation of workers at board level or within a European Works Council-style structure set up for the purposes of information and consultation.

For instance, an important agreement on worker participation was concluded in Munich on 20 September 2006 at the new European Company Allianz SE. It represented a real milestone, as, for the first time ever, a large company – employing some 160 000 workers in virtually all EU Member States – had officially subscribed to a system of European management involving significant and mandatory worker participation.<sup>42</sup> Alongside the numerous European Works Councils already in place, these companies, in which the principles of information, consultation and participation are applied at European level, provide important opportunities to develop a genuinely European trade union approach to corporate strategies.

## Box 35

**Corporate governance: 'Taking the high road'**

In May 2003, the Commission launched an 'Action Plan on Modernising Company Law and Enhancing Corporate Governance in the European Union'. In the ETUC's eyes, it was an opportunity to make clear that economic democracy was integral to this governance. In its words, 'workers' participation is not a private affair in the hands of employers. It is a public matter, which, if necessary, must be politically imposed against the wishes of employers and investors'.<sup>43</sup>

In order to implement its action plan, the Commission set up a 'European Corporate Governance Forum' in October 2004. Fifteen leading experts were appointed, mainly from the world of finance, business and academia. The social partners were not duly consulted, however, in spite of being most directly concerned by corporate governance. Emilio Gabaglio, the former General Secretary of the ETUC, was, nevertheless, invited to take part in the proceedings; it was an invitation he would accept, in the hope of being able to make workers' voices heard. It soon became clear, however, that the forum attached little importance to such concerns.

Worse still, under the guise of 'modernising' and 'simplifying' company law, there really lurked a desire to restrict workers' rights.

In a resolution entitled 'Corporate governance at European level', adopted at its Executive Committee meeting of 14 and 15 March 2006, the ETUC defended its 'high road' strategy. 'Following the "high road" of a highly skilled, committed workforce and high productivity requires the acceptance by European companies of the broader notion of social quality, rather than just a narrow approach geared towards serving shareholder interests. In this connection, companies need to respect and consider the interests and wishes of their employees very carefully in the interests of achieving a high level of economic performance.' Initiatives relating to European company law should support the emergence and development of a European model of corporate governance, encouraging company boards to focus on creating long-term value, on labour relations based on trust, on worker participation in company decision-making processes and on social responsibility. That appears to sum up perfectly the ETUC's definition of economic democracy.

**The gradual development of this aspect of 'European social heritage' that is the emergence of workplace democracy has, as we have seen in this chapter, been a long and treacherous journey. It has taken decades of political and trade union struggle to see the creation in national, European and multinational companies of structures enabling employees to be informed and consulted as regards the economic situation of their company or even to be involved in the decisions that affect them.**

**It would be a mistake, however, to believe that this 'heritage' has been already secured. In the immediate future, many challenges remain: it will be necessary to ensure that this historic compromise is enforced in other respects, such as cross-border mergers, the transfer of registered offices, a European private company statute and the rules on worker participation laid down in the Directive on takeover bids.**

**Most worryingly, there is another danger on the horizon, presented as a necessary boost to economic growth by lightening the burdens of bureaucracy and legislation. In a communication published on 2 October 2013, the Commission announced its plans to 'simplify' existing European legislation in order to stop 'stifling businesses'. This programme of simplification, referred to as REFIT ('Regulatory Fitness and Performance Programme'), sets out to 'consolidate' the legisla-**

tion in force, including with regard to the information and consultation of workers.<sup>44</sup> Will this consolidation not amount, in practice, to an attempt to dilute current provisions? The trade union movement fears that that is the case, as the Barroso Commission has done nothing over the last few years that might reassure it otherwise: it has no social agenda, it has failed to present a new health and safety programme, it has refused to convert into directives a number of agreements reached within sectoral social dialogue (including in the hairdressing sector), and it wishes to proceed with the downward revision of certain rules, including those that have resulted from cross-industry social dialogue, etc. Is the current political agenda not set on aligning the European economy with its international competitors even at the expense of its social heritage?

## Chapter 8

# The unification of Europe's trade union movement

Since it was first founded, the ETUC has played a part in and anticipated the successive rounds of European Union enlargement by supporting and admitting to its ranks the trade union organisations of candidate countries. The first enlargement of the EEC to the United Kingdom, Ireland and Denmark coincided with the creation of the ETUC (1973); trade union organisations from these new Member States had been involved in the founding of the ETUC from the outset (see Chapter 1). In the case of the second enlargement, the ETUC had supported certain organisations in the countries living under dictatorial rule even before they joined the Community, namely Greece (which joined in 1981), Spain and Portugal (both of which joined in 1986). As for the 1995 enlargement to Austria, Sweden and Finland, it could not really be considered as such for the ETUC, as these countries' trade union organisations had been represented within its structures since the founding years of 1973-1974.

With the fall of the Berlin Wall in 1989, the ensuing collapse of the Communist regimes in Eastern Europe and the dissolution of the Soviet Union in 1991, the reunification of a Europe that had been divided by more than 40 years of Cold War became a moral and political necessity<sup>1</sup>, including for the trade union movement. Enlargement to the east and to the south constituted not only a choice in favour of peace and political stability for the continent, but also represented an investment in Europe's economic and social development. As with previous rounds of enlargement, the ETUC had planned since the 1990s for the admission to its ranks of trade union organisations from the Central and Eastern European Countries (CEECs). This enlargement would mean a significant rise in the number of member confederations, from 40 national organisations (from 21 countries) at the end of the 1990s to 85 (representing 36 countries) in 2013. How, before the fall of the Berlin Wall,



had the ETUC managed to forge ties with trade union organisations in the East? How had it accompanied labour organisations in the CEECs on the road to transition and with what outcome? These are the main questions we shall address in the first part of this chapter.

Nevertheless, the end of the Cold War did not mean an end to conflict on the continent, as we were sadly reminded from the early 1990s by the war in Yugoslavia. In the second part of the chapter, we shall look at how the ETUC began, at this point, to lend support to trade unions in the countries of the former Yugoslavia, in the grip of a war that the West was struggling to bring to an end. With peace finally secured, the task of reconstruction commenced and the ETUC played its part. From 1999 onwards, cooperation took on a new dimension, in particular through the Balkans Forum, with a view to the accession to the European Union of now peaceful and independent countries such as Slovenia, in 2004, and Croatia, in 2013. Finally, on Europe's fringes, there are also countries, such as Turkey, that have long aspired to EU membership. This is an aim which has yet to be achieved, but one for which the ETUC voiced its support very early on. The ETUC's strategy is now to admit as full members trade union organisations in countries that have entered official negotiations for EU membership and to grant observer status to organisations in countries that the EU has designated potential candidates for membership (Serbia, the former Yugoslav Republic of Macedonia – FYROM – and Montenegro).

## 8.1. Upheaval in the East

### 8.1.1. The beginnings

Before the fall of the Berlin Wall in 1989, the ETUC had had only episodic contact with trade union organisations on the other side of the Iron Curtain. The sole and notable exception was *Solidarność* from 1980. At the time, the ETUC stated that, 'the strike action which led to the founding of the *Solidarność* trade union has roused a great deal of sympathy among our member organisations'.<sup>2</sup> The ETUC also called on the European Community to come to Poland's financial assistance, so that the demands of the striking Polish workers could be met more easily. Declarations of support for the workers would be adopted not only by the ETUC, but also, at international level, by the ICFTU and the WCL.

However, the Army's seizure of control on 13 December 1981, followed by the banning of *Solidarność* and the arrest of thousands of trade unionists would send shock waves through Western Europe. The ETUC called on members to hold symbolic strikes and demonstrations and protests outside Polish embassies. Nevertheless, during its short period of legal existence (from September 1980 to December 1981), *Solidarność* had managed to forge ties with several trade unions in the West. Consequently, it was invited to attend the 67<sup>th</sup> Session of the International Labour Conference in Geneva in June 1981, and succeeded in establishing working relations with the ICFTU and the WCL, whose General Secretary, Jan Kułakowski, had emigrated from Poland to Belgium and served as Confederal Secretary of the ETUC from 1974 to 1976 (see Chapter 3). *Solidarność*'s first national Convention of Delegates, held three months prior to the imposition of martial law in December 1981, had also been attended by representatives of the ETUC, WCL and ICFTU. However, from 1982 onwards, the Polish Government closed the country to Western trade unionists, refusing to issue any kind of visa to members of the ETUC and its affiliated organisations. It should also be mentioned at this juncture that *Solidarność* had applied to join the ETUC between 1985 and 1986, but certain members had opposed its application, arguing that the ETUC covered only organisations based in the European Community and representatives of Western European workers.<sup>3</sup>



Aside from this ‘Polish exception’, the ETUC as such had only scant contact with trade union organisations in the Eastern Bloc. Where such contact existed, it was primarily the preserve of national member organisations, whether in the context of a sort of *Ostpolitik* (a policy of East-West rapprochement), practised, for instance, by West Germany’s DGB, at the conferences organised by the ILO, or in terms of the relations the TUC and others maintained with the All Union Central Council of Trade Unions of the Soviet Union.<sup>4</sup> Edmond Maire, General Secretary of the CFDT (France), called in 1975 for ‘dialogue and confrontation with trade union organisations of the socialist countries of eastern Europe, on the foundation of concrete problems faced by workers whatever the socio-economic regime of the country’.<sup>5</sup> Some Western trade unions also enjoyed relations with the Russian trade union movement.

To conclude this examination of the period prior to the fall of the Berlin Wall, mention should be made of the meeting of 2 May 1989 held in Brussels between the ETUC and a trade union delegation from Hungary. The situation in Hungary, which was discussed at this meeting, exemplified the challenges facing trade unions in these countries. With the prospect of a multi-party political structure already on the horizon, Hungarian trade unions had a choice to make, according to Sándor Nagy, leader of Hungary’s National Council of Trade Unions, who was a member of the Central Committee of the Hungarian Communist Party: whether to opt for an alliance between each party and its trade union wing – which he considered to be the French system – or for a single trade union confederation that encompassed the various tendencies and parties – the West German system. In order to demonstrate, if there were such a need, the necessity for closer links with trade unions in the West, Nagy put forward the following arguments: ‘In the face of the changes in production and a freer collective bargaining, it would be helpful for the Hungarians to profit from the experience of other trade unions which have known such challenges much earlier’.<sup>6</sup> Hungary’s National Council of Trade Unions appealed for the ETUC’s support to create a genuine trade union movement in Hungary. The latter would therefore gradually take on a more proactive role: fact-finding and contact missions would be sent to the CEECs and reports would be submitted to the Executive Committee. It would take part in various congresses of organisations based in these countries.

### 8.1.2. And the Berlin Wall came tumbling down...

While, for the majority of Western Europeans, the fall of the Berlin Wall in November 1989 marked the start of profound changes in Central and Eastern Europe – which would result in the collapse of the Soviet Union two years later – most Eastern Europeans viewed the situation somewhat differently. Indeed, seen from the other side of the Iron Curtain, the fall of the Berlin Wall could be perceived more as the conclusion of a process than as a point of departure. It had been a victory for all those who, for years, had opposed the authoritarian, indeed dictatorial, regimes. That was certainly the case for the leaders of *Solidarność*, who had launched their struggle for free trade unionism 10 years earlier. When this struggle first began, ‘what was new for us,’ Józef Niemiec points out, ‘was the fact that the Soviet Union did not intervene to stop the reforms, as it had done in Hungary in 1956, during the uprising in Budapest, and in Czechoslovakia in 1968, during the Prague Spring’.<sup>7</sup> There was no doubt that the imposition of martial law on 13 December 1981 had crushed *Solidarność*. However, in the months that followed its lifting in 1985, hundreds of trade unionists and political prisoners were released. A development that was certainly not unrelated to the fact that 1985 also saw Mikhail Gorbachev come to power in Moscow and launch his programme of

political, economic and social reform, known as *perestroika*. The threat of intervention by the Soviet Army was receding. It is in this sense that, for the majority of Eastern Europeans, the fall of the Berlin Wall chiefly marked the closing of a chapter.

### Box 36

#### Key dates in the enlargement to the East

- **November 1989**: the fall of the Berlin Wall
- **October 1990**: the reunification of Germany
- **December 1991**: the signing of the first agreements between the EU and the Visegrád countries (Poland, Czechoslovakia and Hungary)
- **December 1991**: the collapse of the Soviet Union
- **June 1993**: the Copenhagen European Council decides that the Central and Eastern European Countries (CEECs) can, in principle, join the EU
- **From 1994 to 1996**: each CEEC submits a formal application for EU membership
- **July 1997**: the Commission recommends that accession negotiations should begin with the first group of countries
- **31 March 1998**: negotiations are opened with six countries: Hungary, Poland, the Czech Republic, Slovenia, Estonia and Cyprus
- **15 February 2000**: negotiations are opened with the six remaining countries: Malta, Latvia, Lithuania, Slovakia, Romania and Bulgaria
- **December 2002**: the European Council announces that 10 countries meet the criteria for EU membership
- **1 January 2004**: 10 countries join the EU: Hungary, Poland, the Czech Republic, Slovenia, Estonia, Cyprus, Malta, Latvia, Lithuania and Slovakia
- **1 January 2007**: The remaining two countries join the EU: Romania and Bulgaria
- **1 July 2013**: Croatia joins the EU

In December 1989, the ETUC welcomed with enthusiasm, but also with an acute sense of urgency, the rapid progress made towards democracy in several Central and Eastern European countries. Aware that this progress ‘was not yet deeply rooted’<sup>8</sup> in the political sphere, it called on the European institutions and the EFTA Member States to launch a large-scale ‘European development programme’ for all the countries making the transition to democracy. A programme of this kind would provide assistance covering infrastructure, transport, telecommunications, environmental protection and vocational training and to address the population’s needs. It was recommended that advantage be taken of the anticipated sizeable reduction in arms expenditure in order to ‘strengthen the democratic process and meet employment and other social needs’. The ETUC also urged all governments to lend their support to trade union training programmes.

It did not simply watch from the sidelines, however. In June 1990, after sending missions to the new democracies (Hungary, Czechoslovakia, Romania, Bulgaria and, later, Yugoslavia) in order to make contact with the new trade union leaders,<sup>9</sup> it decided to set up a ‘European Trade Union Forum’ that would serve as the main channel for its efforts to establish structural ties with trade union organisations – both new organisations and existing ones undergoing reform – in the countries of Central and Eastern Europe.<sup>10</sup> ‘It was an improvised action, a useful one, which would become a platform for contact, and that led to new memberships’, notes Peter Seideneck,<sup>11</sup> then adviser to the General Secretary of the ETUC, Emilio Gabaglio.

As might be expected, one of the main problems was the fate of the official trade unions that had existed during the period of Communist rule. These were trade unions to which the ETUC ‘had not wished to grant any credibility’.<sup>12</sup> According to Emilio Gabaglio, ‘the fall of the Berlin Wall did in fact present us with a major problem: how to avoid a lack



**The Berlin Wall falls in 1989. For the ETUC, there is no question of replacing it with a social Iron Curtain...**

Source: ImageGlobe

of trade union representation during the transition to a democratic system. Poland, thanks to *Solidarność*, was an exception to the rule. Otherwise, the prevailing thought was that the Communist system was crumbling and that its trade unions would [also crumble].<sup>13</sup> The assertion in a document submitted to the ETUC's Executive Committee that 'the WFTU is virtually dead' was undeniably rather rash.<sup>14</sup>

The immensity of the change represented by the transformation taking place between the fall of the Communist regimes and the very beginnings of preparation for EU accession needs to be underlined. The political reforms were accompanied by amendments to labour codes, following which trade union pluralism was now permitted. In a country such as Czechoslovakia, the reform of existing trade unions, without a sweeping break with the past or complete replacement of leaders and structures, would prove successful. In other countries, such as Poland, Hungary, Slovenia and Lithuania, radical changes would take place; new organisations would emerge alongside existing organisations or from their ashes. These changes would also pose problems of a sometimes very practical nature, such as the distribution of trade union possessions and property from Communist days, problems that have yet to be fully resolved today.

The ETUC's approach would be to cooperate with the new trade unions that had arisen from the anti-Communist opposition, but also to work with existing trade unions that were undergoing reform. This approach would, incidentally, meet with a certain degree of criticism from the international trade union movement. For Emilio Gabaglio, cooperation with existing trade unions could happen only 'on the condition that profound changes were being made, that they were undergoing democratisation. And the ETUC would help them to do that.'<sup>15</sup> Indeed, it had invested a lot in this strategy, which had been masterminded by Peter Seideneck. It should be noted that trade unions still affiliated to the WFTU (the Communist international) were not invited to take part in the ETUC's activities. At the time, that applied to the OPZZ in Poland.

### 8.1.3. Preventing a 'social Iron Curtain'

In January 1991, the first conference of the European Trade Union Forum was held in Luxembourg. It was attended by trade union leaders from Poland (*Solidarność*), Czechoslovakia (*ČSKOS*), Hungary (*MSzOSz* and *ASzOK*, the Confederation of Autonomous Trade Unions), Romania (*Frăția*), Bulgaria (*Podkrepa* and *CITUB*) and Yugoslavia (*SSJ*).

At the close of this meeting, in which 67 participants had taken part, the ETUC President, Ernst Breit, stressed the historic nature of the event: 'this Luxembourg Forum is the first full European gathering of free trade unions in 60 years, since the National Socialist, fascist and Communist dictatorships made such meetings impossible.'<sup>16</sup> Indeed, it was a unique opportunity to establish genuine cooperation between free trade unions throughout Europe. The challenges, however, were immense. As the majority of speakers noted, 'the transition to a market economy, to a better distribution of human, economic and environmental resources and to the systems of collective bargaining that will undoubtedly emerge are all challenges that are faced not only by the trade union movement in the countries of Central and Eastern Europe but also by the ETUC and its member organisations. In the context of rapidly rising unemployment, growing social insecurity and pressure to emigrate, everything possible must be done in terms of labour market policy and vocational training to ensure a smooth transition and to prevent a 'social Iron Curtain' in Europe'.<sup>17</sup> A working group on European integration would be set up at a later date. Unfortunately, however, there was little involvement from Western European trade unions. 'When the first meeting of this ETUC working group was held, only two western organisations turned up,' Peter Seideneck laments.<sup>18</sup>

At the seventh ETUC Congress in Luxembourg in May 1991, the Confederation's Constitution was amended in order to create a new observer status. The aim was to enable organisations in the CEECs gradually to join the ETUC. *Solidarność* (Poland) and the Czechoslovak trade union confederation *ČSKOS*<sup>19</sup> were the first two organisations to benefit from this arrangement. This observer status exempted them from paying the contribution that each member organisation was, in principle, required to pay. In the summer of 1991, the ETUC would be obliged to alter its stance with regard to two countries: the USSR, on the one hand, which was in the process of disbanding (the ETUC, ICFTU and WCL would join forces to condemn the attempted military coup against the then Soviet President, Mikhail Gorbachev), and Yugoslavia, on the other, where internal tensions were degenerating into armed conflict between Serbia and Croatia. Incidentally, no trade union confederation from the former Yugoslavia would be invited to the second Trade Union Forum conference in Prague in April 1992, owing to the political situation in the region (see the second part of this chapter).

In December 1992, a new milestone was reached: the Executive Committee adopted guidelines governing its relations with the CEECs and a policy was laid down with respect to trade unions in the former Soviet Union. Without involving itself any further, the ETUC nonetheless sent observers as part of a mission to Russia, Ukraine and Belarus organised by the ICFTU. It was also engaged in cooperation across the Baltic area (see box 37), which included Russian coastal regions.

The following year, the Executive Committee decided to extend observer status to organisations from the other countries that had concluded an agreement with the EU. These were Hungary (*MSzOSz*, *LIGA* and *MOSz*), Romania (*CNSLR Frăția* and *Cartel ALFA*) and Bulgaria (*CITUB* and *Podkrepa*). There was as yet no guarantee that they would automatically become full members of the ETUC. There was certainly no question of amending the membership criteria laid down in 1973. To be a member, an organisation needed to be democratic, representative and, of course, European (see Chapter 3).

In the end, the ETUC would be guided by four priorities: strengthening the integration and participation of confederations from the CEECs within its structures; equipping them with the means and instruments necessary to act in areas such as social dialogue, collective bargaining and social policy; helping them to influence the negotiations that were to lead to EU accession; and enabling them to have their say in discussions with their

respective governments on the transposition of the *acquis communautaire* into national law. The ETUC would strive to achieve these aims by relying on expertise in transforming old structures and distributing trade union property, training leaders and setting up and monitoring European integration committees in each country, but also by drawing on its own funds. 'From a material point of view, the assistance was limited, but significant,' Emilio Gabaglio recalls. 'We convinced the Commissioner for Social Affairs at the time, Pádraig Flynn [1993-1999], to finance a joint programme with [the employers' organisation] UNICE to help build a framework for industrial relations and social dialogue in these countries. We held large conferences in Bratislava and Warsaw and a series of joint seminars with UNICE, whose task it was to boost the number of organisations representing employers in the new context of a market economy.'<sup>20</sup> After all, under Communism, there had been no such thing as employers' organisations...

#### 8.1.4. Transition period: disappearance of the social dimension and fears of 'dumping'

The European Trade Union Forum, set up in 1990, gradually expanded to include new organisations<sup>21</sup> and continued its work facilitating the exchange of information and experiences and developing joint projects. However, one question was becoming ever more pressing: how to strengthen the social dimension of the cooperation that was establishing itself between the Community and the governments of the Central and Eastern European countries. Indeed, at its second meeting in Prague in April 1992, the Forum became increasingly critical of the failure of the European institutions and governments of the CEECs to consult trade unions during the transition period. There were undeniable deficiencies in this regard, as a study by the European Trade Union Institute (ETUI) made apparent:<sup>22</sup> 'the social dimension of the agreements signed [by the EU and the CEECs] is too weak and there is no reference to the role of the social partners'.

In March 1993, the ETUC adopted a declaration addressed to the Commission and governments, in which it called for the trade union organisations of the CEECs to become recognised social actors in this incipient process and to be involved as such in the negotiation of association agreements (agreements paving the way for future membership).<sup>23</sup> The situation was 'all the more regrettable since the first agreements should be considered models and guidelines for democratic societies and for efficient and sound economies,' the ETUC pointed out, while emphasising that 'tripartite consultation [was] an integral part of the European democratic model'.<sup>24</sup> For that reason, it lent its firm support to the trade unions of the CEECs that were demanding to be consulted by their respective governments in the negotiations with the European institutions. It also called for the Commission to promote 'the implementation of the social provisions of the agreements in the areas of social security, equal opportunities and education and training [...]'.<sup>25</sup> In the end, the ETUC set its hopes on the PHARE programme launched by the Commission parallel to the Copenhagen European Council in the interests of aiding the transition to democracy, and, more specifically, on a special programme aimed at developing social dialogue in the countries in question.<sup>26</sup> Looking back on this period, however, the ETUC would conclude that its demands had 'not met with a satisfactory response'.<sup>27</sup>

In the absence of any social dimension of this kind, and while these countries' future accession to the EU was now considered to be an irreversible process, sensitive economic sectors, such as coal and steel, agriculture and the food and textile industries prompted growing fears of social dumping, on the one hand, and relocation, on the other,

including within the trade union movement. ‘This was an understandable public feeling, but it was less dramatic than was expected,’ Peter Seideneck explains, however. ‘I remember the position of the Austrian trade unions on free movement. They had a decision saying: “We are in favour of free movement under the condition that the respective country has an income which is close to median Austrian income.” That means: We close the door. But it normalised. And it is clear that this was the logical follow-up of the European unification that these countries needed investment. And these countries offer markets. For example, the car industry: they went to Romania, to Poland, to Czechoslovakia. And it is not a problem any longer. It was very important to have, at that time, in those sectors, a good trade union. And I quote Franz Steinkühler [Authors’ Note: a former President of IG Metall]: “We must help the trade unions to set up structures to be able to fight for fair salaries and fair working conditions”’.<sup>28</sup>

In any case, the challenge was on a scale unparalleled by previous rounds of enlargement. The ETUC was concerned about the risk of social dumping, while being aware of the need for action, to avoid the great hopes for peace and reunification being reduced to nothing. ‘Many people in Eastern Europe found that their living conditions actually worsened during the transition [...]. For the most part, the anticipated and, in some cases, publicised direct benefits of the free market economy failed to materialise,’ Peter Seideneck pointed out.<sup>29</sup>

At the Copenhagen European Council in June 1993, the 12 Heads of State and Government officially acknowledged the intention of enlarging the Union to the 10 new countries within a decade and laid down the main conditions. Three criteria were established: a political criterion – the countries needed to have stable institutions that guaranteed democracy, the rule of law, human rights and respect for and the protection of minorities; an economic criterion – their economic structures had to be open and competitive; and a legal criterion – EU accession was dependent on full acceptance of the *acquis communautaire*.

The major challenge now looming was incorporating the trade unions of the CEECs as full members of the ETUC. It was at its Congress in Brussels in 1995 that a decision was taken on their membership. Their affiliation was ‘no act of charity’, Seideneck stated at the time. It was ‘in the direct interests of the ETUC and its affiliates. Unless there is close cooperation, co-ordination and common influence brought to bear on decision-makers at both national and European level, social rights and social standards will deteriorate and come to contradict what passes today as “the European social model”’.<sup>30</sup>

### 8.1.5. Social issues in the accession negotiations

The negotiations for accession to the European Union were formally opened on 31 March 1998 with the first set of countries: Cyprus, the Czech Republic, Estonia, Hungary, Poland, and Slovenia. Negotiations of this kind would also be launched in February 2000 with Bulgaria, Latvia, Lithuania, Malta, Romania and Slovakia. Essentially of a legal nature, since they were concerned with incorporating Community legislation into the national law of the countries applying to join the EU, the negotiations were conducted in relative political silence, in particular with regard to social matters. Once again, however, the ETUC pointed out that very clear objectives needed to be set in this area. First and foremost, it was a question of not restricting the accession strategy to the development of a market economy but of according equal importance to employment and labour market policies and of creating social welfare systems comparable to those in place in the Member States. Next, it was vital



to ensure that the social rights set out in the *acquis communautaire* were fully covered by the negotiations. Finally, trade unions in the candidate countries needed to be genuinely involved in the implementation of the pre-accession strategy and to play a part in the negotiation process.

Although this social dimension had never been officially included on the EU institutions' agenda, between 1995 and 1998 it was the subject of intense debate within and between the Commission departments. It was a report drafted by British and French consultants<sup>31</sup> that would bring to light the issues under dispute. Indeed, the document set out a basic hypothesis: the questions raised by the social dimension of enlargement were inextricably linked with more general questions concerning the existence, content and future of the European social model itself. With the prospect of accession, the difficulties in respect of the social welfare systems in Eastern Europe would burden the Member States with the threat of widespread social dumping, which the requirement for the transposition of EU social provisions into the legislation of the candidate countries, by itself, could not address. Consequently, it would be necessary to ensure that the existence of a European social model characterised by observance of a range of political principles, including a high level of social protection, was also recognised outside legislation and to make its acceptance a condition of accession.

The ETUC found itself in the tricky position of having both to lend its support to an enlargement that represented an opportunity for peace and democracy and to warn governments and institutions so that it did not become a threat to the social model, owing to the failure to provide a clear and unambiguous definition of the latter. 'From a trade union perspective, the enlargement of the Union provides opportunities for strengthening democracy and respect for human rights, for security and stability, for economic prosperity and for reinforcing the existence of the European social model, based on the principle of Welfare State support', the Executive Committee asserted.<sup>32</sup> 'From a political perspective, the ETUC considers that enlargement means a completion of the European Union.' However, at the same time, it was no less critical of the fact that the vast majority of applicant country governments had failed to involve the social partners, and notably the trade unions, in the preparatory negotiations and in consultations with the Commission.<sup>33</sup> It once again called on the latter to make unequivocally clear to the candidate countries that consultation with social partners was a vital element of the European social model and needed to be reflected in the negotiations in order to guarantee a consensus on the enlargement process.

#### 8.1.6. Enlargement of the ETUC

The trade union organisations in the countries of Central and Eastern Europe would become full members of the ETUC from 1996 (see Table 9), i.e. several years before they would officially join the EU. It should be noted that trade union organisations in Malta and Cyprus, countries that also acceded to the EU in 2004, were already members of the ETUC, having joined in 1980, in the case of the Maltese CMTU, and in 1981, in the case of Cyprus's SEK and TURK-SEN (although the Cypriot DEOK and Maltese ForUM did not join until 2007 and 2012 respectively).

**Table 9 Overview of trade unions in the countries of central and eastern Europe, the Balkans, Cyprus and Malta**

Country	Name	Origin	Date of establish	Ex-International affiliation	ETUC Status (2013)	Since
<b>Bosnia and Herzegovina</b>	CTUBiH Confederation of Trade Unions of Bosnia and Herzegovina	Newly established	2004/5	ICFTU	Observer	
<b>Bulgaria</b>	CITUB	Ex-official union	1990	ICFTU	Member	1995
	K T PODKREPA	Newly established	1989	ICFTU	Member	1995
<b>Croatia</b>	SSSH/UATUC Union of Autonomous Trade Unions of Croatia	Ex-official union	1990	ICFTU	Member	2005
	NHS Independent Trade Unions of Croatia	Newly established	1992		Member	2011
<b>Cyprus</b>	SEK Cyprus Workers' Confederation	—	1944	ICFTU	Member	1981
	DEOK The Democratic Labour Federation of Cyprus	—	1962	WCL	Member	2007
	TURK-SEN Turkish Workers' Trade Union Federation	—	1954	ICFTU	Member	1982
<b>Czech Republic</b>	CMKOS	Ex-official union	1990	ICFTU	Member	1996
<b>Estonia</b>	EAKL	Ex-official union	1990	ICFTU	Member	2003
	TALO	Newly established	1992		Member	2002
<b>FYROM</b>	SSM Federation of Trade Unions of Macedonia	Ex-official union	1989		Observer	
	KSS Confederation of Free Trade Unions	Newly established	2005		Observer	
<b>Hungary</b>	ASzSz Autonomous Trade Union Confederation	Newly established	1990	ICFTU	Member	1998
	LIGA Democratic League of Independent Trade Unions	Newly established	1988	ICFTU	Member	1996
	MOSz National Federation of Workers' Councils	Newly established	1988	WCL	Member	1996
	MSZOSZ National Confederation of Hungarian Trade Unions	Ex-official union	1990	ICFTU	Member	1996
	SZEF Forum for the Co-operation of Trade Unions	Newly established	1990		Member	1998
	ÉSzt Confederation of Unions of Professionals	Newly established	1989		Member	2001

Country	Name	Origin	Date of establish	Ex-International affiliation	ETUC Status (2013)	Since
<b>Latvia</b>	LBAS Union of Independent Trade Unions of Latvia	Ex-official union	1990	ICFTU	Member	2003
<b>Lithuania</b>	LDF Lithuanian Labour Federation	Newly established	1919/1991	WCL	Member	2002
	LPSK / LTUC) Lithuanian Trade Union Confederation	Ex-official union	2002	ICFTU	Member	2002
	LPSS (LDS) Lithuanian Trade Union "Solidarumas"	Newly established	1989/1991	ICFTU	Member	2005
<b>Malta</b>	CMTU Confederation of Malta Trade Unions	—	1959	WCL	Member	1981
	GWU General Workers' Union	—	1943	ICFTU	Member	1975
	FOR.U.M The Forum of Maltese Unions	—	2004		Member	2012
<b>Montenegro</b>	UFTUM Union of Free Trade Unions of Montenegro				Observer	
	CTUM Confederation of Trade Unions of Montenegro	Ex-official union	1991	ICFTU	Observer	
<b>Poland</b>	NSZZ-Solidarność	Newly established	1980	ICFTU; WCL	Member	1995
	OPZZ	Ex-official union	1984		Member	2006
	Forum	Newly established	2002	CESI	Member	2012
<b>Romania</b>	BNS The National Trade Unions Block	Newly established	1991	ICFTU	Member	1996
	CARTEL ALFA National Trade Union Confederation	Newly established	1990	WCL	Member	1997
	CSDR Democratic Trade Union Confederation of Romania	Newly established	1994	WCL	Member	1997
	CNSLR-Fratia National Confederation of Free Trade Unions of Romania - FRATIA	Newly established	1993	ICFTU	Member	1997
<b>Serbia</b>	NEZAVISNOST "Independence" Trade Union Confederation (Ujedinjeni Granski Sindikati "Nezavisnost")	Newly established	1991	ICFTU	Observer	
	CATUS Confederation of Autonomous Trade Unions of Serbia		1903	WCL	Observer	

Country	Name	Origin	Date of establish	Ex-International affiliation	ETUC Status (2013)	Since
Slovakia	KOZ SR Confederation of Trade Unions of the Slovak Republic	Ex-official union	1990	ICFTU	Member	1996
Slovenia	ZSSS Slovenian Association of Free Trade Unions	Ex-official union	1990		Member	1998
Turkey	DISK Confederation of Progressive Trade Unions of Turkey	–	1967	ICFTU	Member	1985
	HAK-IS Confederation of Turkish Real Trade Unions	–	1976	ICFTU	Member	1997
	KESK Confederation of Public Employees' Trade Unions	–	1995	ICFTU	Member	1997
	TURK-IS Confederation of Turkish Trade Unions	–	1952	ICFTU	Member	1988

Source: Kohl H. (2009) *Freedom of association, employees' rights and social dialogue in Central and Eastern Europe and the Western Balkans: results of a survey of 16 formerly socialist countries in Eastern Europe*, Berlin, Friedrich-Ebert-Stiftung. ICTUR (2005) *Trade unions of the world*, 6<sup>th</sup> ed., London, John Harper Publishing.

This enlargement increased the number of individual members of the ETUC by 15 million. In terms of internal organisation, representatives of the new member organisations were gradually integrated within its structures. Initially, the General Secretariat took on assistants and trainees. The European Trade Union Institute concluded cooperation agreements and incorporated into its team an increasing number of researchers and trainers from Central and Eastern Europe.<sup>34</sup> As new members were admitted, the full presence of these organisations' representatives was gradually assured throughout the ETUC's structures. In 2003, the ETUC held its 10<sup>th</sup> Congress in Prague, the capital of the Czech Republic, marking an historic moment for the free and democratic European trade union movement, which, 'for the first time in more than half a century, [was] able to meet in a country situated in the East [...] A page of history has thus been turned,' declared Emilio Gabaglio, at his last congress as General Secretary.<sup>35</sup>

With the enlargement process almost at its conclusion, the subject of eastward enlargement featured very little in the discussions at this Congress.<sup>36</sup> That did not stop the ETUC from adding an extra political dimension to this new situation by announcing that a representative of the CEECs would be appointed Confederal Secretary (this was Józef Niemiec of Solidarność, who was re-elected at the Seville Congress of 2007, then made Deputy General Secretary at the Athens Congress of 2011, a post he currently holds).

## Box 37

**The special case of the Baltic States**

The case of the three 'small' Baltic States (Estonia, Lithuania and Latvia) was a little special. In practice, it was necessary to start from scratch, or almost, as free trade unionism had been non-existent in these countries from their annexation by Stalin's Soviet Union in 1940 up until the 1980s. The trade unions they did have were nothing more than simple administrative units controlled from Moscow. The Council of Nordic Trade Unions (the NFS, which brings together the trade unions of Denmark, the Faeroe Islands, Finland, Greenland, Iceland, Norway and Sweden)<sup>37</sup> played a key part in rebuilding trade unionism in this region of the Baltic from August 1991 onwards. It was during this month that a joint seminar was held in the Estonian capital, Tallinn, just as the independence of the three republics was recognised by Moscow. This marked the beginning of the creation of a series of cooperation networks between Nordic and Baltic trade unions. Hundreds of projects would be carried out jointly and a special Baltic Sea Committee would be set up.

At the ninth ETUC Congress, held in Helsinki in July 1999, this cooperation would be formalised and expanded to include German, Polish, and Russian trade unions. A strategy would be adopted: 'Vision and Strategies around the Baltic Sea 2010', and, on that basis, a trade union network created – BASTUN (the Baltic Sea Trade Union Network).<sup>38</sup> The latter would, accordingly, bring together Baltic, Nordic, German, Polish and Russian organisations. Recognised by the ETUC, it is considered a social laboratory – after all, there are significant differences across the region in terms of development and social models. It has enabled labour organisations in the Baltic States to familiarise themselves with the European and international branches of the trade union movement. Given the increasing importance of the European integration process for the Baltic States and their trade union organisations, the ETUC would gradually play a bigger role in the region, including through multilateral seminars.

**Trade unions in the Baltic States in 1997**

Name (country)	Date founded	No of Members	No of sectors
EAKL (Estonia)	April 1990	90 000	25
TALO (Estonia)	September 1992	50 000	9
LBAS (Latvia)	May 1990	300 000	30
LDF (Lithuania)	1988	78 000	11
LPSS (LDS) (Lithuania)	February 1992	41 600	8
LPSK (Lithuania)	March 1993	100 000	13

Source: ETUC Executive Committee

### 8.1.7. *Yes to accession, no to free movement* – the controversy surrounding the transitional arrangements

Following the admission of new Member States to the EU on 1 May 2004 (the Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia,) and 1 January 2007 (Bulgaria and Romania), the new European citizens were able to enjoy all the freedoms conferred by the Treaty. Except, that is, the free movement of workers.

Indeed, Germany and Austria, which bordered the 'new' countries, had been open about their fears regarding the potentially negative consequences the free movement of

workers from the East could have on their labour market. The ETUC had worked tirelessly, including within its own structures, to ensure that an acceptable compromise could be reached by the European institutions and governments on this controversial issue. On one side were those strongly advocating immediate freedom of movement without any conditions and on the other were those who wished to make this freedom dependent on income-related criteria.<sup>39</sup>

Within the ETUC itself, member organisations had sometimes adopted decisions under pressure from their grass roots before there was even time to issue a common and coherent position in Brussels. The threat of divisions loomed, owing to the highly emotive nature of the debates;<sup>40</sup> the two southern enlargements of the 1980s – to Greece, Spain and Portugal – had certainly raised concerns, but without provoking the same level of reaction.<sup>41</sup> The proposed compromise that would be approved by the Executive Committee, reflecting the ETUC's official position, was as follows: 'If transition periods seem essential, they must be as short as possible and be treated with flexibility'.<sup>42</sup>

In the end, the accession treaties would lay down transitional arrangements for the free movement of workers from the new Member States.<sup>43</sup> Under these arrangements, the governments of the former Europe of the Fifteen could authorise either the full or partial freedom of movement for workers from the CEECs;<sup>44</sup> they had the option of restricting this freedom for a maximum period of seven years, beginning on 1 May 2004. In the majority of cases, therefore, workers from the new Member States would still need a work permit in order to gain access to the labour market. For their part, the governments of the new Member States were free to impose reciprocal restrictions on workers from EU-15 countries that had adopted such measures. With regard to Romania and Bulgaria, their accession on 1 January 2007 was also accompanied by restrictions on the free movement of workers, which should, in principle, be lifted in 2014, i.e. seven years after the signing of the accession treaties. More recently still, these same transitional arrangements have been introduced in respect of Croatia, which joined the EU in 2013 (meaning that the free movement of Croatian workers is likely to be delayed until 2020).

This question of free movement of workers has, without doubt, proved one of the most divisive chapters of the accession negotiations (on this subject, see also Chapter 6 of this volume).

### 8.1.8. Almost 20 years after the fall of the Berlin Wall (1989), the fall of Wall Street (2008)

In 2007, i.e. just prior to the eruption of the financial crisis, the ETUC took an initial look at the situation following the admission to the EU of the CEECs. Its findings were rather discouraging: a widening of the gaps in economic development, the shifting of the social disparities to the east and difficulties on the job market etc. It therefore called on the EU to step up its cohesion policy in order to reduce the differences between regions and to promote a society of full employment, equal opportunities and social inclusion and cohesion.<sup>45</sup>

Other problems were materialising, in particular with regard to social dialogue at national level – the significant variations in situation, the role of governments, the absence of representative employers' organisations in many new Member States and the burden of history accounted for major differences of approach. Finally, as far as the European trade union movement was concerned, it was essential for the transnational companies establishing themselves in Eastern Europe to comply fully with their obligations in terms of the information, consultation and participation of workers (see Chapter 7).





15 September 2008: the collapse of the investment bank Lehman Brothers marks the arrival of the financial tsunami that will batter Europe and the United States. Here, an employee of the bank, now without a job, leaves his office.

Source: ImageGlobe

However, the greatest threat emerged in 2008, with the arrival of the financial crisis and its devastating effects. Between the end of 2008 and beginning of 2009, Romania, but also Hungary and Latvia, were finding it increasingly difficult to stabilise their balance of payments, forcing the Commission to come to their assistance. Faced with a crisis that spread like wildfire across the countries on the edges of Europe (Greece, Portugal, Ireland, Italy, Spain and Cyprus), Europe's response appeared to be too little, too late. In some countries of Central and Eastern Europe, it was sometimes even left to the International Monetary Fund (IMF) to take the lead.<sup>46</sup>

The model of economic integration without reinforcement of the social dimension – a 'model' criticised by the ETUC since the 1990s – had revealed its shortcomings: the weakness of the social welfare systems in certain countries had become glaringly clear. These systems were not as robust as those set up in Western Europe after the Second World War, which softened the impact of the crisis by means of automatic shock absorption mechanisms. However, this crisis also showed that, in the absence of a drive towards European convergence, a process of economic and social divergence was in motion. Just a few years after their accession to the EU, the hopes harboured by the people of Central and Eastern Europe of seeing the upward harmonisation of their living and working conditions within the European Union – as the Treaties promised<sup>47</sup> – were evaporating.<sup>48</sup> As for the Union itself, it now appeared to be relying solely on the power of 'self-regulating markets' (see Chapter 5).

## 8.2. The ETUC and South-East Europe

Since the last three waves of enlargement (2004, 2007 and 2013), the ETUC has been concentrating on providing assistance for the countries that are now next on the list of future Members: the former Yugoslav Republic of Macedonia, Albania, Bosnia and Herzegovina, Montenegro, Serbia, Kosovo under the mandate of the UN Security Council (Resolution 1244) and Turkey. We shall attempt, in the following paragraphs, to summarise recent developments in the relations between the ETUC and the trade unions in the countries of South-East Europe.

## 8.2.1. The countries of the former Yugoslavia

### **The ETUC and the war in Yugoslavia (1991-1995)**

The break-up of Yugoslavia from 1991 prompted the reconfiguration of trade union organisations. As Slovenia, Croatia and the Yugoslav Republic of Macedonia declared their independence, Croatian, Slovenian, Macedonian and Bosnian trade unions would, in turn, leave the Confederation of Trade Unions of Yugoslavia (SSJ). The latter would, itself, be replaced by a confederation representing the trade unions of the 'Federal Republic of Yugoslavia', which had been reduced to Serbia and Montenegro.

From 1991, the ETUC launched a policy of cooperation with these new organisations. In a letter addressed to the Confederation of Autonomous Trade Unions of Yugoslavia (CATUY) and the independent trade unions of Slovenia and Croatia, Emilio Gabaglio urged them to use all their influence to help find a peaceful and negotiated solution.<sup>49</sup> In late summer that year, the ETUC lent its backing to the peace demonstrations organised primarily by women and held in a number of Yugoslav cities, and called for them to spread to all parts of the country.

From 1 to 3 November, as armed incidents spread on the ground between Croatian forces, Serbian militias and the Yugoslav Army, the ETUC hosted a conference in Brussels that was attended by 24 high-level figures from the 13 trade union organisations based in the six republics and two autonomous provinces of Yugoslavia. It was merely an informal meeting that would not lead to the adoption of any decisions or official documents. 'Stopping the war was, quite clearly, a task beyond our capabilities', Emilio Gabaglio explains. 'If Europe had no idea what to do, then the trade union movement was all the more powerless. Nevertheless, we committed ourselves to maintaining ties and, as far as possible, to continuing a dialogue via the ETUC that transcended the devastating forces of nationalism'.<sup>50</sup>

Common concerns were voiced at the conference: the trade unions needed to express more firmly their opposition to the war and to violence, and their support for political negotiations, which were 'the only way out of the current situation of conflict'.<sup>51</sup> However, significant differences of opinion became apparent between the Serbian and other organisations. For its part, the ETUC undertook to support the European initiatives aimed at ending the war, to exert pressure on the Peace Conference to include the social dimension in all the negotiations and to lend its backing to any reformed or new trade union. 'We also asked our members to send humanitarian aid. For a long time, the face of Europe, to the population affected by this tragedy, would be that of people, often trade unionists, driving lorries containing food and medicine', Emilio Gabaglio remembers.

Unfortunately, the infernal cycle of war merely worsened. While the trade union conference in Brussels had allowed a glimmer of hope, the Executive Committee noted in October 1992 that this hope was unfounded. 'The ETUC has been forced to cut its ties with the CATUY. The latter represented only organisations dominated by Serbs and merely followed the policies of Slobodan Milošević, the Serbian President'.<sup>52</sup> At the same time, however, opposition to the government of the latter was growing: *Nezavisnost*, a new, independent Serbian trade union confederation was founded in November 1991 and the ETUC took part in its constituent congress. With regard to the other republics, it organised missions to Montenegro, the Yugoslav Republic of Macedonia and Kosovo in March 1992, while, in August, the General Secretary visited Slovenia and Croatia, where he met representatives of the reformed trade union councils.<sup>53</sup> Between 1992 and 1993, ETUC delegates attended trade union congresses in Slovenia (ZSSS and *Neodvisnost*), Croatia (SSSH and *KNSH*), Serbia (the independent trade union *Nezavisnost*) and the Yugoslav Republic of Macedonia (SSM).

## Box 38

**From the break-up of Yugoslavia to the Dayton Agreement: five years of war**

**1991**

- **25 June:** Croatia and Slovenia decide to leave the Yugoslav Federation and declare their independence.
- **27 June:** the Yugoslav People's Army intervenes in Slovenia. A ceasefire agreement is signed a few days later. The Federal Army withdraws from Slovenia in July.
- **15 September:** Macedonia declares its independence.
- **19-20 November:** the Croatian city of Vukovar falls, taken by the Yugoslav Army and Serbian paramilitary units.

**1992**

- **2 January:** the first UN peace plan is signed by Croatia and Serbia. UN peacekeepers are set to be deployed.
- **15 January:** the Europe of the Twelve recognises Slovenia and Croatia. It calls on Bosnia and Herzegovina to hold a referendum on independence.
- **29 February:** the referendum is held in Bosnia and Herzegovina. It is boycotted by the Serbian community.
- **5 April:** the Yugoslav Federal Army begins its siege of Sarajevo, the capital of Bosnia and Herzegovina.
- **6 April:** the 12 recognise Bosnia and Herzegovina.
- **7 April:** the Serbian Republic of Bosnia and Herzegovina declares its independence in Banja Luka.
- **27 April:** The Federal Republic of Yugoslavia (the republics of Serbia and Montenegro) is proclaimed.
- **30 May:** The UN Security Council imposes economic and political sanctions on Serbia and Montenegro.

**1993**

- **6 May:** The UN Security Council establishes six 'safe areas' in Bosnia and Herzegovina: Sarajevo, Tuzla, Zepa, Bihać, Gorazde and Srebrenica.
- **9 May:** Croatian paramilitary forces carry out an offensive against Bosnian Muslims in the region of Mostar.

**1994**

- **9 February:** following a deadly shell attack on Sarajevo's marketplace, NATO issues an ultimatum to the Bosnian Serbs calling for them to withdraw their heavy weapons to a distance of at least 20 kilometres from Sarajevo.
- **28 February:** the first NATO air strike is carried out: four Serbian planes are shot down in Bosnia and Herzegovina.
- **4 April:** a Serbian offensive against the Gorazde safe area begins.
- **10 April:** NATO forces bombard Serbian positions surrounding Gorazde.
- **Autumn:** offensives and counter-offensives are carried out by Croatian, Bosnian and Serbian forces in the safe area of Bihać.

**1995**

- **25 May:** NATO bombards Serbian positions around Pale; Serbian forces bombard Bosnian towns and take peacekeepers hostage.
- **11 July:** Srebrenica falls to the Bosnian Serbs.
- **28 August:** the further bombardment of a Sarajevo market takes place.
- **30 August:** NATO mounts large-scale air strikes against Serbian positions in Bosnia and Herzegovina and the European Rapid Reaction Force is deployed.
- **8 September:** signing of the Geneva agreement paving the way for the territorial division of Bosnia and Herzegovina (recognition of the Serbian Republic of Bosnia).
- **10 October:** a widespread ceasefire takes effect in Bosnia and Herzegovina.
- **1 November:** peace negotiations begin in Dayton, USA.
- **14 December:** the Dayton Agreement ending the war is officially signed by the Presidents of Serbia, Croatia and Bosnia and Herzegovina.

In political terms, moreover, the ETUC was unstinting in calling for firmer action by the EU to find a negotiated solution to the conflicts; it also condemned the blatant and large-scale violations of human rights. In particular, Bosnia and Herzegovina and its capital, Sarajevo, became the main setting for a terrible war. ‘The acts of ethnic cleansing, torture and mass executions and the despicable practice of raping female prisoners are crimes that should be judged before an international tribunal’, members of the ETUC’s Executive Committee stated with indignation in a declaration of June 1993.<sup>54</sup>

In 1994, a delegation from the city of Sarajevo, then under siege by the Serbs, managed to leave the country and was received in Brussels on 11 March 1994, at an extraordinary meeting of the Executive Committee. It was an opportunity to draw attention to the city’s plight. Following this meeting, the ETUC, ICFTU and WCL issued a joint declaration condemning the violence and human rights violations and calling for the international community to work more consistently to achieve a negotiated solution. Shortly afterwards, the Confederation of Trade Unions of Bosnia and Herzegovina succeeded, rather remarkably, in organising a mass demonstration in Sarajevo, for the first time since the war had started, marking the celebration of 1 May 1994. The motto was ‘For a fair peace – For democracy and human rights – For decent work’. The General Secretaries of the ETUC, ICFTU and WCL would travel there – at their risk and peril (see box 39). In spite of the threats directed towards this demonstration by Radovan Karadžić, the then President of the Serbian Republic of Bosnia and Herzegovina, some 5 000 people attended.



**Five thousand people take part in the celebrations in Sarajevo on 1 May 1994. It is a high-risk event, given that it is seen by Radovan Karadžić’s regime as an act of provocation.**

Source: ETUC

## Box 39

### Emilio Gabaglio: 'Powerlessness and solidarity in the face of the war in Yugoslavia'

At the beginning of 1994, the President of the Bosnian trade unions had managed to leave Sarajevo while it was under siege from the Serbs and we welcomed him in Brussels, giving him a platform and helping him establish contacts so that he could publicise the ordeal his city was living through. It was then that the idea arose of travelling to Sarajevo ourselves to celebrate 1 May. I put the suggestion to Enzo Friso, the General Secretary of the ICFTU, another Italian, who came from the same trade union grouping as me, and Carlos Custer, the General Secretary of the WCL. We would go there together as testament to the international trade union movement's solidarity with Bosnian workers and their struggle for peace and freedom.

There were logistical issues and [France's President] Mitterrand came to our assistance: a French military

aircraft took us from Split to Sarajevo. As we approached the city, the pilot said: 'Gentlemen, we are about to land at Sarajevo Airport – bulletproof vests and helmets on and you need to run in a zigzag along the runway'. They drove us in armoured jeeps from the French Embassy to the city centre, to the damaged trade union headquarters. We had brought with us from Brussels posters in Serbo-Croat saying, 'Long live 1 May' and the trade union members began to stick them up on the walls. We went and stood on the balcony of a building in front of which there were thousands of people applauding us for the simple fact of being there. The organisers told us: 'Listen, make very short speeches, as the Serbian radio station in Pale has just announced that this demonstration is an act of provocation'. They couldn't guarantee our safety. I don't remember a single word of the speech I made, but I will never forget the faces in front of me, full of determination and hope. It was the most wonderful 1 May of my life. And, believe me, I've had many.



As a mark of solidarity, the leaders of the ETUC, ICFTU and WCL travel to Sarajevo on 1 May 1994, at their risk and peril. Emilio Gabaglio is seen here facing the crowd.

Source: ETUC

### The Dayton Agreement and reconciliation efforts in Bosnia

The year 1995 marked a turning point in the war. With the support of the United States and NATO, Croatian forces defeated the Serbian Army, resulting in the agreement of basic principles in Geneva (on 8 September 1995) between Croatian, Serbian and Bosnian representatives. The Dayton Agreement was officially signed on 14 December 1995, marking the end of the war. Although this agreement did not resolve all the problems, it was accepted by all the trade unions in the former Yugoslavia as the basis for a new beginning.



One of the first priorities for the ETUC was to help restore relations between the trade unions of the Federation of Bosnia and Herzegovina and of the Republika Srpska, the new Serbian Republic of Bosnia. Meetings with these organisations – a witness described the atmosphere of the first as ‘glacial’ – were held in 1996, under the auspices of the ETUC, in Sofia (with the support of Bulgaria’s trade unions), then in Luxembourg, Brussels, Sarajevo and Banja Luka. The foundations for cooperation were gradually laid, helping to strengthen stability in the region and to represent social interests in the rebuilding of the country. A joint declaration was adopted on 30 June 1996 by the ETUC and the trade unions of Bosnia and Herzegovina and of the Republika Srpska. Nevertheless, this cooperation remained fragile, as demonstrated by the last-minute cancellation – according to some sources,<sup>55</sup> on the orders of Radovan Karadžić – of the joint conference on reconstruction that both trade unions had been planning. It had been due to take place in Dobož at the end of October, with Emilio Gabaglio and around 20 other European and international trade union representatives in attendance. There would never be any such conference, however. In spite of that, relations between the two trade unions would continue to normalise.

The second priority for the ETUC was the Bosnian city of Mostar: in this city, the problems were between Croats and Bosnian Muslims. The aim was to bring together the trade unionists of the divided city by taking advantage of the European Union’s administration of the city. A project co-financed by the Friedrich Ebert Foundation<sup>56</sup> entitled ‘Trade union bridge of Mostar’ was launched at the initiative of the ETUC in 1995 and led – in perfect symbolism – by a Bosnian trade unionist and a Croatian trade unionist. Ultimately, however, the attempt to set up a joint trade union organisation was unsuccessful. Nevertheless, this initiative breathed new life into trade union structures on both sides and served as a point of departure for numerous subsequent activities devoted to trade union training and economic reconstruction.<sup>57</sup>

The ETUC would work relentlessly to encourage cooperation among trade union organisations in the three administrative units, the Federation of Bosnia and Herzegovina (SSSBiH), the Serbian Republic of Bosnia (SSRS) and Brčko District (an autonomous and neutral administrative unit of Bosnia and Herzegovina).<sup>58</sup> It would also actively support the creation of a trade union organisation bringing together these three units. This would lead to the founding of the Confederation of Trade Unions of Bosnia and Herzegovina (KSBiH), which was admitted to the ETUC as an observer organisation in 2005.<sup>59</sup> Today, the challenge is to enable the social partners in Bosnia to play a part in the process of European Union accession, including through the creation of a national tripartite economic and social council.

### **Support for independent trade unions in Serbia and Montenegro**

In addition to backing the reconciliation efforts in Bosnia, the ETUC also lent its support to independent trade union organisations in Serbia, Montenegro and Kosovo, with varying degrees of success. As mentioned above, in Serbia the ETUC was particularly supportive of the independent trade union *Nezavisnost*, considered by some to be the ‘Serbian Solidarność’, alongside the official trade union CATUY. In December 1996, when the regime in Belgrade was still issuing threats to the members of independent trade unions and peaceful protests calling for respect for democratic rights were still taking place, the ETUC adopted a resolution in which it welcomed ‘the participation of the independent trade union confederation *Nezavisnost* in the mass demonstrations’ and declared ‘its solidarity with workers and strikers throughout the country’. Sending a clear message to the Serbian Government, it stated



that, 'the development of democracy in Serbia and Montenegro is a key condition for the enforcement of basic social rights and trade union freedoms, without which the Federal Republic of Yugoslavia cannot take its place within Europe'.<sup>60</sup>

In the wake of the Dayton Agreement, a delegation from Nezavisnost, the ETUC, the ICFTU and the WCL travelled to Pristina in the aim of establishing dialogue between the reformist Serbian trade union and the BSPK-Kosovo, which was suffering heavily at the hands of the repressive regime in Belgrade. However, the political situation made it impossible to achieve this objective. On the other hand, cooperation between Nezavisnost and the Montenegrin trade union organisation SSSCG was strengthened and consolidated by various joint actions.<sup>61</sup>

It should be noted at this point that dialogue was also gradually renewed, at least until the outbreak of the war in Kosovo, between Nezavisnost and the Yugoslav trade union confederation CATUY (SSJ). This dialogue served to encourage the reformist forces within the latter and to promote the process of democratisation.

Nevertheless, these positive developments should not be allowed to overshadow the difficulties on the ground. Trade unions continue to face problems of a complex nature and frequently lack the financial means, expertise or human resources to solve them. The political elites tend not to consider social dialogue an important part of the democratic process. The fragmentation of organisations continues to cause tensions within and between the national confederations and to undermine their representativeness, political influence and public image. It was in order to help improve this situation that, in August 2010, the ETUC proposed setting up a regional integration commission consisting of member and observer organisations and potential partners in Serbia, Macedonia, Montenegro and Bosnia and Herzegovina. The role of this commission consists chiefly of monitoring the social dimension of the process of democratic transition. Finally, the ETUC has intervened on several occasions with the European institutions and national authorities in order to counteract attempts to undermine or violate established trade union rights or international labour standards. In this region, trade union campaigns and activities are therefore more relevant than ever. As of 2013, four Serbian and Montenegrin trade union organisations have observer status within the ETUC (Nezavisnost and CATUS from Serbia and CTUM and UFTUM from Montenegro).

## **Kosovo**

Following the Dayton Agreement, which brought an end to the war between Serbia, Croatia and Bosnia and Herzegovina, it was in Kosovo that new tensions erupted. This autonomous province in southern Serbia was home to a sizeable ethnic Albanian population and the conflict with the Serbian section of the population would continue to worsen. These tensions provided the Yugoslav Government with a pretext for increasing military operations and acts of repression targeting the ethnic Albanian population, a considerable proportion of which – hundreds of thousands of people, it is said – were deported to Albania and Macedonia or moved to another part of the country.

In October 1998, in view of the 'flagrant and ongoing violation of fundamental human rights', the ETUC called for negotiations to be launched under the authority of the international community between legitimate representatives of the people of Kosovo and Yugoslav leaders. Once again, the ETUC voiced its solidarity with the Kosovar trade union confederation the BSPK and urged 'all trade union organisations in Yugoslavia to work towards reaching a peaceful solution, establishing democratic conditions and opening up a genuine dialogue'.<sup>62</sup>

However, the situation deteriorated further instead: the war in Kosovo between the Yugoslav Army and the Kosovo Liberation Army (UÇK) intensified. Addressing the European Council in April 1999, in view of the failed attempts to settle the conflict by means of negotiation, the ETUC ended up accepting as inevitable the imminent international military intervention. NATO launched a bombing campaign that would last more than two months. In June 1999, Belgrade signed an agreement on the withdrawal of Serbian forces from Kosovo, and KFOR (the NATO-led peacekeeping force) was deployed.

It is remarkable to note that, at the end of this same month, the ninth ETUC Congress began in Helsinki and the leaders of the trade union organisations of Serbia (Nezavisnost), Montenegro, Kosovo (BSPK), Bosnia and Herzegovina and Republika Srpska, Macedonia and Albania all attended for the first time...

### 8.2.2. Turkey

The rather turbulent relationship between Turkey's trade union organisations and the ETUC goes back a long way. It was in the 1970s, when the European Trade Union Confederation had only just been formed, that Turkey's two largest trade union confederations (DİSK and TÜRK-İŞ) each applied for membership of the ETUC. However, since 1971, the country's political situation has been extremely unstable and it deteriorated rapidly between 1979 and 1980 (see box 40). A number of DİSK leaders were arrested in 1980 for attempting to organise demonstrations on 1 May. The trade union movement became victim to a wave of terrorist attacks; the former President of DİSK was assassinated in July that year. The ETUC voiced its deepest concerns and sent letters of protest to the Turkish authorities.

#### Box 40

##### Turkey and the European Union: key dates

- **1960:** military coup against the government of the Demokrat Parti
- **1963:** signing of the first association agreement between Turkey and the EEC
- **1974:** Greek nationalists stage a coup against the Cypriot Government; Turkey sends troops to Cyprus and occupies the northern part of the island. Turkey's swift victory sparks the fall of the 'Regime of the Colonels' in Greece
- **1977-1980:** rise in the number of acts of violence committed by the far right; the atmosphere borders on civil war and a large number of left-wing radicals are assassinated
- **1980:** new military coup; 30 000 are arrested, the parliament is dissolved and political parties are banned
- **1983:** parliamentary elections, Turgut Özal becomes Prime Minister; martial law is gradually lifted and civilian rule restored
- **1987:** Turkey lodges an official application for membership of the European Community
- **1995:** an agreement is signed on a Customs Union with the European Community
- **1999:** the Helsinki European Council grants Turkey official candidate country status
- **2004:** the Commission considers that the country meets the accession criteria and recommends that official accession negotiations are opened
- **2005:** official accession negotiations are opened
- **2006:** the EU decides on a partial suspension of negotiations in response to the Turkish Government's refusal to apply to Cyprus the arrangements stipulated by the customs union between Turkey and the EU

- **2007-2012:** the accession negotiations become hampered by difficulties. Some Member States oppose Turkey's accession to the EU and favour an enhanced cooperation agreement
- **2012:** the Commission launches a 'positive agenda' in EU-Turkey relations, intended to 'bring fresh dynamics' to the accession process
- **2013:** the Turkish Government becomes exasperated by Europe's prevarications. The Permanent Representative to the EU, Selim Yenel, states that, 'We must sit down and come to a conclusion as to where we are heading, what type of Europe you want, with or without Turkey, as you have been wasting our time for 50 years [and] we are tired'.<sup>63</sup> At the end of 2013 the accession negotiations are relaunched.

While the ETUC was preparing to send a delegation to assess the trade union situation in the country, the military staged a coup on 12 September 1980. The organisation DİSK immediately had its activities suspended and its leaders were arrested, along with hundreds of local trade unionists. The other organisation, TÜRK-İŞ, was allowed to continue its activities, but only at national level (trade union action in factories was prohibited; the right to strike and collective bargaining were abolished). Social rights and real wage levels underwent considerable curtailment. Almost all the trade unionists arrested were tortured; 52 of them were liable for the death penalty for having carried out trade union activities.

The ETUC immediately called for the suspension of the country's association agreement with the European Community and of Turkey's membership of the Council of Europe. The Deputy General Secretary visited the country for the first time in April 1981, to witness the preparations for the trial of DİSK. He had the opportunity to speak to trade union members, lawyers and the political opposition. The ETUC widely circulated the information it had gathered during this visit, appealing to the Community institutions and governments to step up the pressure on the military authorities. The ETUC's actions, together with those of other organisations, would result in the freezing of European financial aid to Turkey, a ban on participation in the Council of Europe's Parliamentary Assembly by former Turkish parliamentarians and the launching of a debate on Turkey's possible suspension from this organisation.

The opening of the trial against the DİSK leaders on 24 December 1981 was attended by three legal experts, sent as observers by the ETUC and ICFTU. This 'trial against DİSK and its leaders [which] has become a trial against the very principle of free trade unionism'<sup>64</sup> would be condemned by the ETUC a few months later, at its Congress in The Hague (April 1982). It called for all the European institutions to exert the utmost pressure on the Turkish authorities to bring this trial to an end, to free the imprisoned trade unionists, to restore trade union rights and to act swiftly to install a democratic regime in Turkey.

'We have been told repeatedly how important our presence at the trials could be and of the moral support it represented. This is a clear message stressing the importance of the political support and how the economic support is appreciated by the imprisoned trade unionists and their families, and all those working to re-establish democracy in Turkey'.<sup>65</sup> Indeed, the ETUC and its members had provided financial assistance for the families of the imprisoned trade unionists, while the ICFTU and WCL had set up a 'solidarity fund'. The response had therefore been strong.

After four long years of imprisonment, the DİSK leaders were finally all released in September 1984, one year after the restoration of civilian political rule in Ankara. In the weeks that followed, Mathias Hinterscheid, General Secretary of the ETUC, and Björn Pettersson, Deputy General Secretary, travelled to Turkey to meet Abdullah Bastürk, the President of DİSK, and the organisation's executive committee. It was an opportunity for the latter to voice their gratitude for the support offered by the ETUC and its members, but also



1980: a wave of terror targets the trade union movement in Turkey. Seen here are portraits of those killed or tortured following the military coup.

Source: ImageGlobe

to seek assurances that this support would continue, as the trial against DİSK was not over, while Turkey had taken an ultra-liberal turn since the 1983 elections.

From January 1985, DİSK became the first Turkish trade union organisation to be granted full membership of the ETUC (followed by TÜRK-İŞ in 1988). However, the government in Ankara continued to impose severe restrictions on fundamental trade union rights and freedoms. The right to strike was disregarded, as was the right to establish trade unions or to join international organisations. DİSK's activities were still outlawed; its assets were in the hands of trustees. None of this prevented Turkey from lodging an official application for membership of the European Community in 1987. In 1988, the ETUC adopted a declaration in which it criticised these circumstances and the trial still under way against the DİSK, by now one of its members, which had, by that point, been going on for eight years.

With the prospect of a forthcoming meeting between Members of the European Parliament and Turkish parliamentarians, the ETUC adopted a declaration on 18 January 1989 that foreshadowed its position on the possibility of Turkey's future accession to the EU. In view of the problems relating to democratic rights, human rights, non-respect of trade union freedoms and the violation of international commitments (inhumane prison conditions in flagrant breach of the Council of Europe's Convention on Human Rights, infringement of the fundamental principles of the ILO, etc.), the ETUC warned that 'the restoration of democracy, respect for human and trade union rights and trade union freedoms [remained], in the eyes of the trade union movement, a prerequisite for Turkey's membership of the European Community'.<sup>66</sup>

In this respect, 1991 marked the beginning of a turning point. The Government appeared determined to guarantee more effectively political and trade union freedoms. DİSK had its rights restored. In the mid-1990s, as in the case of trade unions from the countries of Central and Eastern Europe (see above), the ETUC organised a conference in cooperation with TÜRK-İŞ and DİSK in order to discuss how to promote the role of trade unions in relations between Turkey and the European Union. The subject bore particular relevance in the light of the customs union scheduled to come into force in 1996.

In December 1998, opposing 'any attempt to invoke cultural or religious arguments in favour of keeping Turkey on the sidelines', the ETUC's Executive Committee declared its support in principle for Turkey's accession to the EU. However, it once again stressed that progress was needed first with regard to respect for democracy and for fundamental and trade union rights and the rights of minorities. A permanent working committee representing the Turkish member organisations was set up to focus on the integration process.

The prospect of Turkish membership of the EU became more tangible as the new century approached. In December 1999, the EU Heads of State and Government, meeting in Helsinki, decided to grant Turkey official candidate country status. Following careful consideration, the Commission concluded, in 2004, that the country met the accession criteria and recommended that official accession negotiations should be opened. Accession negotiations were therefore officially opened in 2005. They would quickly become mired in difficulties, however.

The ETUC remained extremely cautious. It had, on several occasions, drawn attention to the violations of trade union rights committed by the Turkish authorities and underlined the need for the Turkish Labour Code and its constitutional provisions to be brought in line with European rules. In the ETUC's eyes, any decision to open the social chapter of the accession negotiations should take account of the agreed benchmarks in these areas. Throughout the period 2003-2007, it lent its support to the national Trade Union Coordination Commission, which had united not only TÜRK-İŞ and DİSK, but, since 2004, also the new confederations HAK-İŞ and KESK, now also members of the ETUC. It also coordinated a large-scale project entitled 'Civil Society Dialogue: bringing together workers from Turkey and the European Union through a shared culture'. The overall objective was to boost contact and the exchange of experiences between trade unions in Turkey and in the EU Member States. Some 25 seminars and two conferences were held as part of the project, gathering together more than 1 600 representatives of workers in Turkish companies and more than 500 participants from various EU Member States. It should be noted that 20% of those taking part in these activities were women.

**The ETUC therefore genuinely set about achieving the unification of trade unions across the entire continent, particularly following the fall of the Berlin Wall. This task began with the countries of the former Eastern Bloc, almost all of which were integrated within the ETUC's structures from 1996. Next came the Balkans and the republics that were born in the wake of the war in the former Yugoslavia. It was necessary to create the conditions for dialogue and cooperation between trade union confederations founded from the ashes of Yugoslavia, whose respective new countries had thrown themselves into a war without mercy. Finally, there was Turkey, which has lived through military coups, fiercely anti-trade-union dictatorships and periods of political instability. The ETUC was required to support and assist persecuted trade unionists in order to help the chances of rebuilding a economic democracy. Today, it can be said that the ETUC, formed in 1973 from 17 organisations representing 15 countries of Western Europe, has succeeded in uniting the trade union movement across the entire continent, bringing together, as it now does, 85 national trade union confederations, seven observer organisations from the Balkans and 10 industry federations.**





## Chapter 9

# Extending the solidarity

Ever since its founding in 1973, the ETUC has been accused of being too 'Eurocentric'. With the trade union movement having been structured around large internationals until that point (see Chapter 1), the creation of an autonomous regional organisation was seen as a potential threat to international solidarity.<sup>1</sup> These fears have not entirely been extinguished. Consequently, the ETUC's actions in support of European social dialogue or European Works Councils can sometimes be seen by organisations in countries south of Europe as attempts to build a 'European trade union fortress'.<sup>2</sup> Is it true that European trade unionism has a tendency towards isolation?<sup>3</sup>

From the very beginning, the ETUC's international activities have been the subject of much debate. What conclusions could we draw today? If we examine the various positions the Confederation has adopted when looking 'outwards' to the rest of the world, it is possible, for the purposes of this analysis, to identify three main 'markers' of its strategy with regard to other regions.

Broadly speaking, these markers, or strands, can be defined as follows:

- trade union action in response to European development policies, i.e. its stances on the Lomé Convention and cooperation with the ACP countries, as well as questions of peace and disarmament, which were ever present at the time of the Cold War;
- the gradual development of what could be described as European 'trade union diplomacy'. Initially, it chiefly concerned the situation regarding trade union rights (in South Africa during apartheid, in Turkey during the coup, in Nicaragua, and in China at the time of the events in Tiananmen Square etc.). From the 1990s, this form of diplomacy was naturally extended to the countries of Central and

- Eastern Europe and the Balkans (see Chapter 8) and to Central and South America, Russia and Asia;
- the battle to make labour standards an integral part of international trade. In this respect, there have been two main stages: prior to 2006, the battle was fought at multilateral level (in GATT and, later, WTO negotiations), while, after 2006, the shift in EU strategy towards bilateral or bi-regional negotiations, owing to repeated breakdowns in the Doha Round multilateral negotiations, made it necessary to adapt accordingly. It is this context that currently shapes the ETUC's strategy, particularly with regard to transatlantic negotiations – negotiations in which, as we shall see, the labour stakes are extremely high.

We shall attempt to disentangle these three strands (which are, of course, not mutually exclusive) in the pages that follow.

## 9.1. Development cooperation

Throughout its existence, the ETUC has consistently called for Europe to ensure that clauses referring to respect for democratic principles, human rights and international labour standards are included in the cooperation agreements it signs. Since the Treaty of Rome entered into force in 1957, the European Union has cooperated with the ACP (African, Caribbean and Pacific) States under the successive Yaoundé, then Lomé Conventions and the Cotonou Agreement, which replaced them in 2000. This special relationship between the EU and ACP countries has its historical roots in the former European colonies and the period of decolonisation that coincided with the founding of the European Community. By adopting development cooperation agreements, the EEC Member States of the time sought to protect their economic and geopolitical interests in these countries, against the backdrop of the Cold War.

Traditionally, trade unions have attempted to establish relations between developing and industrialised countries on the basis of worker solidarity. In Europe, however, there was a split between those in the 'globalist' and those in the 'regionalist' camps. The ETUC chose to proceed with caution. In its objectives for 1976-1979, approved at its second Statutory Congress,<sup>4</sup> it intended 'to show solidarity with workers all over the world and, above all, with those in developing countries, without overstepping the boundaries of its competence and while supporting the actions of the trade union internationals the ICFTU and the WCL at international and continental level.' In 1975, however, the European Community signed the first Lomé Convention, which established ties between the Europe of the Nine and 46 ACP countries. This prompted the ETUC to announce that 'the Lomé Convention, which has implications for workers and for trade union organisations, falls within the responsibilities of the ETUC, working in liaison and in cooperation with the ICFTU and WCL'.<sup>5</sup> The European trade union movement therefore considered itself authorised to intervene in connection with this agreement.

The Lomé Convention's main shortcoming, viewed from a trade union standpoint, was the failure to involve workers' representatives in its implementation. In order to take full account of the consequences such an agreement would have for workers, an ad hoc committee would need to be set up or, at the very least, consultative conferences held in which trade unions would be invited to take part. As for the substance of the Convention, it considered it to be 'a major step forward' for cooperation. Specific systems were put in place, such as Stabex. This system for stabilising export earnings (*Système de Stabilisation des Recettes d'Exportation*) introduced a new element to international economic relations: it attempted

to protect the export revenue of developing countries from fluctuations in price or in the quantity of export goods (which, initially at least, were chiefly agricultural) destined for the European Community.<sup>6</sup> The international trade union movement was not fully reconciled to this approach. In the eyes of the World Confederation of Labour (WCL), Stabex was, quite simply, financial compensation paid to victims of deteriorating exchange rates. The International Confederation of Free Trade Unions (ICFTU) and the ETUC, meanwhile, believed that this type of preferential interregional relationship should not be ruled out,<sup>7</sup> but that Stabex should be adjusted by a differentiated reimbursement system that favoured the poorest ACP States and that, in addition to stable export earnings, an increase in producers' real income needed to be ensured. Stabex was therefore considered merely a 'first step towards a reform of global trade'.<sup>8</sup> Generally speaking, the ETUC was supportive of the Lomé Convention and its mechanisms, but not unconditionally so. Like the ICFTU and WCL, it called for trade union organisations to be kept informed and consulted on a regular basis, as well as to be closely involved in the industrial cooperation programme and to play a part in the technical and financial cooperation programmes.<sup>9</sup>

Nevertheless, the European institutions and the Member States would gradually come to emphasise the 'limits' of this cooperation, and the difficulties of putting it into practice. At the same time, the World Trade Organisation (WTO) maintained that not all the provisions set out in the Lomé Convention complied with international trade rules. At the end of the 1990s, the EU decided to alter its approach. 'Development cooperation' effectively became cooperation aimed at integrating the ACP States into the multilateral trading system. This change in thinking was officially confirmed in 2000, when the Lomé Convention was replaced by the new 'Cotonou Agreement'.

For their part, the ETUC, ICFTU and WCL revived a long tradition of inter-union cooperation and, at the beginning of the 2000s, set up a joint working group with two objectives: to represent the trade union perspective to both the Commission and the ACP Secretariat, and to encourage the democratisation and participative management of the programmes, including in collaboration with ACP trade unions. There was no denying that the Cotonou Agreement formally recognised the importance of social objectives and of sustainable development, but to trade union eyes it was far too concerned with free trade instead of development.

In the course of the – difficult – negotiations on the new 'Economic Partnership Agreements' (EPAs) between the EU and sub-regions of the ACP Group<sup>10</sup> (referred to in the Cotonou Agreement, these EPAs aimed to liberalise trade), the ETUC made clear to the Commission that the agreements should promote sustainable development and poverty reduction and support regional integration.<sup>11</sup> In view of the marked reluctance of the majority of these sub-regions to negotiate agreements of this kind, European trade unions were insistent that the EU should not seek to impose them against countries' will, that it should increase the degree of non-reciprocity and that it should be more flexible in terms of the timetable of negotiations.

Since 2006, and the founding of the International Trade Union Confederation (the ITUC, formed from the merger of the ICFTU and WCL – see box 41), the ETUC has largely subcontracted the question of development cooperation to this organisation, although it continues to be involved. Accordingly, along with other civil society organisations, it participated in the Migration, Mobility and Employment Partnership and the 2008-2010 action plan under the EU-Africa development strategy,<sup>12</sup> which focused on jobs and decent work. At its Athens Congress (2011), it called for a strengthening of its role within the ITUC's Trade Union Development Cooperation Network over the period 2011-2015. In general terms, however, the change in Europe's approach to developing countries has served to



shift European trade union attention back to the issue of the labour standards that should be included in international trade agreements (see paragraph 3 below).



The Founding Congress of the International Trade Union Confederation (ITUC) was held in Vienna (Austria) on 1 November 2006, putting an end to the division between the ICFTU and WCL trade union internationals (seen here: Guy Ryder, then General Secretary of the ITUC, Sharan Barrow, President of the ITUC, and Rudolf Hundstorfer, President of the Austrian trade union ÖGB).

Source: ITUC, Jacky Delorme

Box 41

The birth of the ITUC



A major turning point in the history of international trade unionism came in 2006, when the International Trade Union Confederation (ITUC) was founded following a merger of the ICFTU and WCL.<sup>13</sup>

From 1973 and the founding of the ETUC, a division of labour was established between the two internationals (ICFTU and WCL) and the ETUC. The ETUC was the sole interlocutor of the European institutions (the EU, Council of Europe and European Economic Area), while the two internationals represented the trade union movement in dealings with multilateral institutions (the ILO, IMF, World Bank and WTO). However, was the existence of two internationals, one with a social-democrat/socialist leaning and the other founded on social principles deriving from Christianity, not a relic of the past amid increasing globalisation? The search for new political responses to globalisation was a question of survival,

Emilio Gabaglio noted in 1996.<sup>14</sup> Later, in an interview, he stated that, 'these divisions [between the ICFTU and WCL] reflect circumstances that, at the time, justified them, but are now totally outdated. More than anything, they make the international trade union movement less effective than it should be.'<sup>15</sup> At its Congress in Durban in 2000, the ICFTU had launched an initial debate on the issue of joined-up global trade unionism. However, it was at the ETUC's Prague Congress of 2003 that the idea really got off the ground. Emilio Gabaglio recalls the following: 'On this occasion, the General Secretary of the ICFTU had, in his speech, taken Europe as an example. Why, he asked, could what Europe had succeeded in doing, i.e. founding the ETUC, which unites social democrat, Christian and post-Communist tendencies – although it took us a while – why could that not take place at international level? Not long afterwards, the General Secretary of the WCL signalled his interest in the idea. That's how contact was made.'<sup>16</sup> Discussions on the founding of a new, single organisation were launched, bringing together former ICFTU and WCL members, as well as those trade unions without international affiliation, such as France's CGT, and trade unions in South America, Asia and Africa. Gabaglio, who had just left the ETUC Secretariat, played the role of mediator in these talks.

Along with his successor, John Monks, Emilio Gabaglio would raise the question of ties between the ETUC and this new organisation, ties that could not be allowed to impinge on the former's autonomy (in particular as regards European social dialogue and relations with the European institutions). The dilemma was whether, in order to represent Europe, the two distinct entities that were the ETUC, on the one hand, and the trade union organisations of the Newly Independent States (that were not members of the ETUC, such as those in Ukraine and Belarus etc.), on the other, should be brought together within a pan-European committee; or whether a new and separate European organisation should be created. However, the latter option would undoubtedly have created a certain amount of confusion, not to mention the additional costs it would have entailed.<sup>17</sup> In any case, it was essential for the ETUC to retain its 'constitutional autonomy' and, at the same time, to avoid giving the impression of a two-speed European trade union movement, something to which trade unions in the countries of Central and Eastern Europe, in particular Andrzej Adamczyk of NSZZ Solidarność, were vehemently opposed.<sup>18</sup> In the end, a decision was made to set up a Pan-European Regional Council (PERC) within

the ITUC, the General Secretary of which would be the General Secretary of the ETUC, so as to ensure coherence between the two organisations. This solution, seen as complicated by several members of the Executive Committee, had the virtue of being pragmatic.

The ITUC Founding Congress was held in Vienna on 1 November 2006. It brought together the national confederations affiliated to the former ICFTU and WCL, both of which had been dissolved, as well as non-affiliated organisations. It was composed of 304 national confederations from 153 countries, representing approximately 168 million workers. The former ICFTU was the dominant force within this new organisation, accounting for 91% of members, compared with 7% from the former WCL and 2% from previously non-affiliated organisations. As for the PERC, it was officially set up in Rome on 19 March 2007. Extending from the Arctic Circle to the Central Asian steppes, it consisted of 90 trade union organisations affiliated to the ITUC, representing 85 million members. John Monks was appointed General Secretary and Mikhail Shmakov, President of the FNPR (Russia), was elected as its President.

## 9.2. The development of trade union diplomacy

The second strand of the ETUC's external activities is what could be described as trade union diplomacy. In practice, it is concerned with forging ties with labour organisations in different regions and countries of the world: the Mediterranean region, the countries of South and Central America, China and Asia, the United States and Russia, etc.<sup>19</sup> However, it also seeks to show solidarity with peoples whose rights – political, economic or social – are being disregarded. Thus, in 1978, South Africa and its 'inhumane system of apartheid that is unworthy of the term "civilised"' were the focus of the European trade union movement's criticism.<sup>20</sup> In 1979, Tunisia's brutal repression of UGTT activists was condemned.<sup>21</sup> In 1980, it was the turn of the Soviet invasion of Afghanistan, 'in violation of the sovereign rights of the Afghan people'.<sup>22</sup> In 1982, the military repression in Turkey was denounced.<sup>23</sup> In 1989, the Chinese Army's bloody intervention in Tiananmen Square attracted condemnation.<sup>24</sup> In the 1990s, it was primarily the countries of Central and Eastern Europe, the Balkans and Turkey that would be the target of this trade union diplomacy (see Chapter 8). Later, in 2003, it was the Iraq War that was condemned and, much more recently, the General Secretary of the ETUC, Bernadette Ségol, has voiced her solidarity with the Tunisian trade union movement, following the assassinations of Chokri Belaid and Mohamed Brahmi;<sup>25</sup> has condemned the repression, intimidation and human rights violations in Turkey;<sup>26</sup> and has criticised the EU's trade agreements with Colombia and Peru, which make no provision for ensuring compliance with international labour standards, even though these countries are among the most dangerous in the world for trade unionists,<sup>27</sup> etc.



During the Arab Spring, Bernadette Ségol, General Secretary of the ETUC, expresses her solidarity with the Tunisian trade union UGTT and its General Secretary, Jrad Abdesslem.  
Source: ETUC

Alongside this bilateral diplomacy and these declarations of support, the ETUC is chiefly engaged in pursuing long-term strategies with different regions of the world. It is these strategies that are referred to in the pages that follow.

### 9.2.1. The Euro-Mediterranean region

The Mediterranean region was one of the first targets for ETUC action outside the EU.<sup>28</sup> The original motivation was the fact that the Mediterranean countries served as an important ‘pool of cheap labour’ for employers in the Europe of the Nine, comprising workers from Spain, Portugal and Greece, but also from Morocco, Algeria and Tunisia etc. In the ETUC’s eyes, therefore, it was crucial to exert pressure on national governments to ratify the ILO conventions and to ensure equal treatment when it came to social security for migrant workers, language learning, vocational training and housing etc. With this aim in mind, the first ‘Euro-Mediterranean’ trade union conference was held in Thessaloniki in November 1978, resulting in the first structured set of joint demands.<sup>29</sup>

Relations between the enlarged EU and ‘Mediterranean third countries’ would subsequently be the subject of strategic partnerships over which the ETUC would attempt to exert some influence. Thus, in the particular context of the aftermath of the first Gulf War and the revival of the Middle East peace process (the Oslo Accords), the Barcelona Conference of 27 and 28 November 1995 brought together the 15 EU Member States and 12 Mediterranean third countries with the aim of launching the proposed ‘Euro-Mediterranean area of peace, stability and security’ founded on partnership. The ‘Barcelona Process’ had begun. The idea was to reconcile Europe’s need for security, in view of the conflict in the Middle East, with the development needs of the countries in the southern and eastern Mediterranean. The ETUC threw itself into the process in the desire to forge lasting cooperation with trade unions in the Arab countries.<sup>30</sup> Meetings were set up in particular with Arab partners belonging to the Trade Union Confederation of Arab Maghreb Workers (USTMA). The aim was to establish joint trade union strategies.

Initially, there were qualms about this cooperation with international trade unions and ETUC members themselves were not especially proactive in this regard. However, a dynamic developed and led, in 1999, to the creation of a Euro-Mediterranean Trade Union Forum,<sup>31</sup> in which members of the ETUC, ICFTU, Trade Union Confederation of Arab Maghreb Workers (USTMA) and International Confederation of Arab Trade Unions



(ICATU) would participate. This cooperation resulted, in particular, in the setting up of a summer school bringing together young trade unionists from Europe and the Maghreb, but also in the emergence of ties between the respective Women's Committees of the ETUC and the USTMA following the ETUC's Prague Congress of 2003. Projects focusing on trade union reform and modernisation, trade union pluralism and the role of women were launched in Morocco, Algeria, Tunisia, Jordan and Palestine.

In 2005, the Euromed Trade Union Forum looked back on this decade of cooperation and reached a rather mixed first assessment. John Monks told the Forum: 'You are all aware that this was not and still isn't an easy exercise. In the course of our cooperation, we've had ups and downs, even though it can be stated today that you all managed to focus more and more on the real content of the trade union agenda. [...] There is still a risk that cannot be ignored: that politics and conflicts are watering down the quality of our cooperation. This we must resist! All of us! It would be a strategic mistake to transform the Forum into a platform of general political declarations instead of concentrating on what we exist for; and instead of emphasising the key elements that should be at the heart of the cooperation: democracy, social dialogue and the strengthening of cooperation structures.<sup>32</sup> At the end of this Forum meeting, a work programme was adopted; partnership remained the best approach in an uncertain economic and political climate.

Difficulties persisted, however. In May 2010, a decision was taken to alter the cooperative framework and to transform the Forum into an exercise in ETUC-ITUC Euromed trade union coordination in association with USTMA. Cooperation with the ICATU was felt to be unsatisfactory. The breakdown in the Middle East peace process and the stance adopted by Israel (the blockade of the Gaza Strip, renewal of settlement activities and the assassination of members of a humanitarian flotilla supported by the ETUC's Turkish members) were exacerbating tensions in the region and were, of course, not unconnected with the numerous problems encountered.

As for the EU's political strategy in respect of the Barcelona Process launched in 1995, it became almost entirely unreadable from 2008 onwards. At the initiative of the French Presidency of the EU, this process was replaced by a proposed 'Union for the Mediterranean' (UfM). However, its secretariat was slow to become operational and had insufficient financing. Meetings were repeatedly postponed. Scheduled infrastructure projects were not carried out. There was, admittedly, some progress on social issues: a Euromed Social Dialogue Forum was set up, involving trade unions and the employers' organisations BusinessEurope and the International Organisation of Employers. Consultations were held with employment and labour ministers. However, the future of the UfM process, sometimes referred to as an 'empty shell', remained extremely uncertain.<sup>33</sup>

It was amid this lack of transparency in relations between the EU and Mediterranean third countries that the 'Arab Spring' bloomed in several countries of the region from December 2010. At first, it was hailed as a public cry for far-reaching political, economic and social change. However, it would be suppressed with unprecedented brutality in some countries (Libya and Syria), while in others, which had initially succeeded in freeing themselves from dictatorial rule, a cycle of violence would gradually establish itself (Tunisia and Egypt etc.). In any case, this 'spring' marked an outpouring of social desperation that served only to confirm the accuracy of trade union analyses. 'We recall the suicide by fire of a young street vendor in Sidi Bouzid in Tunisia and other desperate acts by young people in the region driven by a lack of jobs, social injustice, poverty and lack of freedoms. Those cries for help must not remain unheeded. The instauration of properly functioning and regulated labour markets to deal with massive unemployment, particularly among young people, must be a priority for EU assistance,' the ETUC

stated.<sup>34</sup> It also prompted the ETUC to reiterate its call for the European External Action Service to appoint employment and social affairs attachés, chosen from experts in the field, to maintain ties and encourage the emergence of independent social partners (see box 42).

Nevertheless, as of 2012-2013 the outlook is less than favourable. In Tunisia, trade unionists are the victims of attacks by militias.<sup>35</sup> The UGTT's headquarters, located in a historic square in the centre of Tunis, had been the starting point for virtually all the demonstrations that had helped bring about the overthrow of the previous regime. The ETUC has noted with regret that it is the UGTT's leading role in the revolution, and then in the process of transition, that has made it the constant target of attacks by extremists. In Egypt, too, it has been a 'bad start for democracy', with trade union freedom seriously under threat.<sup>36</sup>

#### Box 42

##### What 'social diplomacy' for the EU?

Ever since the EU acquired a High Representative for Foreign Affairs and Security (a post currently held by Baroness Catherine Ashton) and a European diplomatic corps (the European External Action Service – EEAS), the ETUC has repeatedly raised the matter of the violation of human and trade union rights in many countries around the world. It intervened, notably, with regard to the situation in the Middle East and North Africa following the 'Arab Spring'.

One of the trade union demands in respect of the European diplomatic corps is for a 'social affairs attaché'

to be installed in the EU's main embassies around the world. John Monks suggested the idea to Ms Ashton when she was appointed. At first, she appeared amenable to the suggestion. Was Europe not proud of championing sustainable development, including on social issues, in its bilateral relations? However, the idea seems to have become the victim of red tape. As a result, labour-related questions arising today are now overlooked, little understood or misunderstood entirely. If we also take into account the fact that the Commission's Directorate-General for Employment has been marginalised, including on matters of external relations, we can only lament the absence of a real strategic vision of what European 'social diplomacy' should be.

### 9.2.2. South America

Relations between the EU and South America constitute something of a puzzle to the observer. One reason for the difficulty is the fact that the EU has developed relations separately with each of the following:

- the countries of Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama) through the 'San José Dialogue', launched in 1984;
- the Caribbean, a region that includes 17 territories with direct links to certain EU Member States (four French overseas departments, six British overseas territories, six Dutch overseas territories and one French overseas territory) and 16 countries that are part of the ACP Group;
- the countries of the Andean Community (Bolivia, Ecuador and Peru) through political dialogue launched in 1996; and
- Mercosur, formed by Argentina, Brazil, Paraguay, Uruguay and Venezuela (soon to be joined by Bolivia, and four associate members: Chile, Colombia, Ecuador and Peru), with which the EU began a process of cooperation in 1995.

If, on top of these bi-regional relations, we take account of the bilateral cooperation agreements the EU has signed with Brazil, Chile, Mexico and Argentina, etc., the lack of clarity is overwhelming. These bilateral agreements are different in nature: Association Agreements with Chile, Mexico, and Central America, all encompassing free trade; a Framework Trade and Economic Cooperation Agreement with Argentina; and, more recently, strategic partnerships with Mexico and Brazil. In 2010, however, an attempt was made to simplify these relations, with the founding of a Community of Latin American and Caribbean States (CELAC), which, for the first time, encompassed all 33 countries and now constitutes the EU's regional interlocutor.

The trade union relationship between the European Union and Latin America was originally between the WCL and ICFTU, on the one hand, and the Inter-American Regional Organisation of Workers (ORIT) and the Latin American Central of Workers (CLAT), on the other. This relationship had little to do with the diplomatic and trade links with the EU; it was primarily a relationship of trade union solidarity among national organisations coordinated by the ICFTU and the WCL.

It was after the launch in 1999 of the 'Rio process' by the Heads of State and Government of the countries of the EU and Latin America that these two regions strengthened and formalised their ties. Trade union relations were also consolidated between the ETUC and the Coordinator of Trade Unions of the Southern Cone (CCSCS), the Council of Southern Cone Workers (CTCS), the Mexican and Chilean trade unions, the Andean Labour Advisory Council (CCLA), the Trade Union Coordinating Committee of Central America and the Caribbean (CSACC) and the Central American Confederation of Workers (CCT).

As part of this continued cooperation, in May 2001 an ETUC-ICFTU-WCL working group was set up and it was expanded to include the ORIT and CLAT. Today, as we have already seen, the two internationals have been merged within the ITUC. As for the ORIT and CLAT, they now form the latter's regional organisation, the Trade Union Confederation of the Americas (TUCA). The TUCA and the ETUC have sealed their cooperation through a joint work plan, bilateral meetings and delegation visits (Emilio Gabaglio to Buenos Aires, John Monks to Mexico, Bernadette Ségol to Chile).

The purpose of this transatlantic trade union cooperation remains the same: to ensure that the agreements signed by the EU and (the countries or regions of) South America include a strong social chapter, promote decent work and address environmental concerns. An EU-Mercosur Labour Forum was consequently set up in 2006, following intensive joint work on mobilisation by the ETUC and CCSCS, and EU-Latin American and Caribbean trade union summits are now held every two years. The ETUC also sends delegations to the various summits attended by European Heads of State and Government. It is a question of influencing the agenda at these meetings and reminding leaders of their commitments in terms of respect for human rights.

The ETUC's strategy in this region is, however, largely determined by the EU's diplomatic strategy. This is illustrated by the case of Colombia and Peru. To provide a brief reminder, in 2008 negotiations aimed at concluding an association agreement between the European Union and the Andean Community ended in failure. The EU's strategy in response to this failure was twofold: firstly, to continue regional discussions on political dialogue and cooperation; and, secondly, to begin separate bilateral trade negotiations with each Andean country that so wished. Negotiations of this kind were launched in 2009 with three countries: Peru, Colombia and Ecuador. The latter would eventually decide to break off the talks, but, in the case of both Peru and Colombia, a free trade agreement was signed in March 2010.

The ETUC not only views this 'regional-bilateral' approach as a mistake, but it also recognises that the agreements with Colombia and Peru pose a serious problem. Indeed,

numerous violations of human and trade union rights were being committed on Colombian soil. Even though some progress has since been made towards restoring peace, attacks on trade unionists remain almost commonplace. On 27 April 2010, John Monks wrote to Baroness Ashton, the High Representative of the Union for Foreign Affairs and Security Policy, to let her know his concerns. A copy of the letter was sent to Karel De Gucht, the European Commissioner for trade and an ardent supporter of free trade. The trade unions have called for the establishment of a joint Colombia-Peru-EU committee involving civil society organisations (along with the ETUC and the European Economic and Social Committee) with a view to monitoring the progress of the agreement.

On the eve of the first EU-CELAC Summit in January 2013, the Trade Union Confederation of the Americas (TUCA), ETUC and ITUC issued a joint appeal to the EU and CELAC Heads of State and Government and the Commission, reaffirming their opposition to the entry into force of the free trade agreements with Colombia and Peru as long as they failed to guarantee the participation of civil society and incorporate any prospect of balanced and sustainable development. These agreements are in fact limited solely to securing free trade and give no consideration to the social dimension, the environment, employment, and so on. Nevertheless, the political leaders turned a deaf ear. Has free trade ideology now won out over fundamental rights and sustainable development?

#### Box 43

##### **The ETUC and the World Social Forum**

The World Social Forum (WSF) was set up in January 1999 by leaders of Brazilian and European social associations and movements, including ATTAC-France (French Association for the Taxation of Financial Transactions for the Aid of Citizens). It was initially designed to be the 'anti-Davos', alluding to the World Economic Forum that was set up in 1970 to bring together in January of each year the world's economic and political elite in Davos, a village in the canton of Grisons, Switzerland.

The WSF adopted the slogan 'Another World Is Possible' and decided to meet every January in the Brazilian city of Porto Alegre. Very quickly, the movement successfully grabbed the attention of the masses. In January 2001, the WSF attracted tens of thousands of activists from non-governmental organisations (NGO) and social movements, who took part in hundreds of seminars, debates, interactive workshops, etc. The presence of extensive international media turned this demonstration into a global event. Trade unions participated, too, especially through the ORIT and CLAT. Gradually, the WSF established a formal structure, with the creation of an International Council and the

adoption of a Charter of Principles. This was not without its difficulties, however, especially when it came to the issue of the representativeness of the members of the Council.

Added to this, relations between social movements and trade union organisations are sometimes tinged with distrust. To put it simply, some trade unionists questioned the representativeness of NGOs that wanted to have a monopoly over the organisation; on the other hand, some NGO leaders feared a 'trade union takeover' of the WSF. Furthermore, it soon became clear that the Forum comprised two major tendencies – one more 'radical', the other more 'moderate' – that would clash over strategic issues.

The 2002 WSF saw the organisation of the first 'World Trade Union Forum', at the initiative of the ICFTU, WCL, ORIT, CLAT and ETUC. The latter sent a delegation, which was led by its Deputy Secretary General, Jean Lapeyre, and included Maria-Helena André, Gérard Fonteneau and Juan Moreno. It was at that same 2002 Forum that the WSF decided to organise regional social forums in Europe, Africa and Asia. In Europe, these forums were held in Florence (2002), Paris (2003), London (2004), Athens (2006), Malmö (2008) and Istanbul

(2010). In 2004, the WSF 'relocated' to Mumbai (India), returning to Porto Alegre in 2005 and subsequently, in 2007, to Nairobi (Kenya).

Gradually, however, these meetings, although continuing to draw huge crowds (more than 150 000 people in 2005), saw the international reach of the earlier Forums begin to dissipate. Above all, the internal disagreements became more heated, while the 'radical' tendency gained the upper hand. On the European side, the debates on the draft Constitutional Treaty left the organisations involved in the Forum deeply divided. The ETUC increasingly criticises the groups that lead the Forum for failing to respect the Charter

of Principles, in which the ESF is enshrined as a plural, diversified, non-confessional, non-governmental and non-party context. The Forum's messages are less and less in tune with the campaign for social globalisation.

The trade unions are pulling back from the Forum; the ETUC has withdrawn from its International Council. Moreover, participation in the demonstrations is falling and the international media is retreating in the direction of Davos.

For more details on relations between the trade union movement and the anti-globalisation movement, the reader may usefully consult Chapter 10 of Juan Moreno and Emilio Gabaglio's book *Le défi de l'Europe sociale* (see Bibliography).

### 9.2.3. Asia

The EU's relations with Asia are, a little like those with South America, an intricate web of bilateral cooperation agreements (with India, China, Pakistan, Vietnam and South Korea etc.) and structured meetings or bi-regional agreements: with ASEAN, the Association of Southeast Asian Nations;<sup>37</sup> SAARC, the South Asian Association for Regional Cooperation;<sup>38</sup> and, in the context of ASEM, the Asia-Europe Meeting. The latter process is currently the most active. ASEM Summits are held every two years and are attended by some 51 Heads of State and Government from Europe and Asia, along with the President of the European Commission. It is clear that Europe's interest in emerging countries such as China, India and South Korea has boosted this cooperation, which covers trade, finance, transport, education and information technology etc.

The ETUC, again working side by side with the ITUC and ITUC-Asia-Pacific, has attempted to play an active role in these ASEM Summits. The aim is essentially to establish an organised presence in this process. From this perspective, some progress was made at the ASEM Summit in Helsinki in November 2006, which opened up new opportunities, in particular in the form of meetings of ASEM Labour Ministers and consultations with social partners. In the same vein, the Commission hosted the first ASEM Social Partners' Forum in June 2008. Its purpose is to grant trade unions the same status as the Asia-Europe Business Forum.

On a bilateral level, one of the ETUC's long-term objectives is to promote the development of free collective bargaining in China. A memorandum of understanding on labour, employment and social affairs signed by the EU and China in September 2005 could serve as a starting point to that end; it provides a framework for dialogue on areas such as social protection, social cohesion, labour legislation, employment, labour relations and social dialogue. Generally speaking, the ETUC has urged the EU to make use of its trade relations and cooperation with China to encourage sustainable development, decent work and human and trade union rights. It is also opposed to the granting to China of market economy status while the authorities continue to interfere in trade union affairs.

The ETUC strives to remind European multinationals with a presence in China (and elsewhere) of their duty in terms of social values. It was therefore horrified to learn, in June 2006, that the European Chamber of Commerce in Beijing 'had said that, if new labour

laws were introduced to cut working time and improve pay rates, this would increase Chinese production costs and would “force foreign companies to reconsider new investment or continuing with their activities in China.”<sup>39</sup> John Monks commented on the occasion that ‘it is outrageous that profit-chasing European companies are threatening to disinvest if very basic standards are introduced in China. Rather than engaging in a race to the bottom they should respect, throughout the world, standards that we expect them to apply at home.’

Lastly, it should be noted that the ETUC’s activities in Asia also cover respect for human rights and the sanctions that should be applied to regimes that violate international standards as regards trade union rights (Burma and Sri Lanka), but have equally addressed the anti-trade union measures taken by the Australian Government under John Howard...

#### 9.2.4. Eastern Partnership

The EU’s ‘Eastern Partnership’ policy is concerned with the countries of Eastern Europe and the Southern Caucasus,<sup>40</sup> the security, stability and prosperity of which affect the EU Member States. One of the ETUC’s key objectives is to work within the PERC (see box 41 on the ITUC) to develop genuine systems of industrial relations, social dialogue and a real social policy. To that end, the ETUC has established relations with Ukraine, meetings have been held in the countries of the Caucasus, and experts have taken part in regional meetings and conferences on social dialogue etc.

With regard to Russia, the ETUC, in conjunction with the FNPR, has long pursued a strategy aimed at making social considerations a part of EU-Russia relations. It must be acknowledged, however, that the complexity of diplomatic relations between Europe and Russia, in particular, the failure to reach a bilateral agreement, is hindering the development of structured and formal trade union relations. Joint efforts therefore focus on strategic aspects of the mutual dependence between the EU and Russia, the promotion of international labour standards and condemnation of the violation of trade union and human rights.

### 9.3. Globalisation and trade strategies

Since the late 1980s, Europe has witnessed – but above all contributed to – a considerable speeding up of ‘globalisation’, that is, the internationalisation of trade flows, investment flows and production networks. This phenomenon, largely championed by multinational companies and governments that hoped to find in it a factor of economic growth, has had significant implications for workers and the organisations representing them. A resolution of the ETUC’s Executive Committee adopted in December 1998 to mark the 50<sup>th</sup> anniversary of the Universal Declaration of Human Rights summed up well the favoured approach: ‘The battle to ensure respect for human rights, including social and trade union rights, is more necessary than ever at a time when unchecked globalisation is producing negative social effects, with unemployment, job insecurity and social exclusion further jeopardising the conditions in which these rights are exercised.’<sup>41</sup>

One date, however, marked a departure from this process of globalisation. That date was 2006, the year the EU decided, following repeated breakdowns in the Doha Round of multilateral negotiations (see box 44), to change tack and adopt a bi-regional or even bilateral negotiating strategy in place of the multilateral approach it had previously taken. In the pages that follow, we shall examine this shift from multilateralism to bilateralism and its impact on the trade union approach to globalisation.



## Box 44

### From GATT to the WTO; from Geneva to Doha

From 1948 to 1994, the GATT (General Agreement on Tariffs and Trade) provided the only forum for multilateral trade negotiations. Set up alongside the Bretton Woods institutions by 23 founding countries, this agreement was the basis of numerous rounds of international talks on lowering customs duties and promoting global trade. It was the Uruguay Round of negotiations (1986-1994) that saw the birth of the World Trade Organisation (WTO), which replaced the GATT. Founded on 1 January 1995, as of 2013 the WTO has 159 member countries. It now provides the framework for multilateral negotiations.

The most recent round of negotiations, the 'Doha Round', was launched in Qatar in 2001. These talks were instantly beset by a number of disagreements, in particular over the liberalisation of trade in agricultural products, farming subsidies and market access. In July 2006, the negotiations were suspended indefinitely. Attempts have been made since then to revive the discussions, but with no real success. Faced with the failure of this multilateral approach, the European Union altered its strategy in 2006 and now relies on the bilateral or bi-regional negotiation of free trade agreements.

Round of negotiations	Year	Number of countries
Geneva	1947	23
Annecy	1949	13
Torquay	1951	38
Geneva	1956	26
Dillon Round	1960-1961	26
Kennedy Round	1964-1967	62
Tokyo Round	1973-1979	102
Uruguay Round	1986-1994	123
Doha	2001- ...	159

### 9.3.1. Multilateral trade strategies

From the 1970s, the ICFTU pushed for rules of conduct to be drawn up for all multinational companies around the world. This pressure finally resulted in the adoption by the ILO Governing Body in 1977 of the 'Tripartite declaration of principles concerning multinational enterprises and social policy'.<sup>42</sup> However, one of the main weaknesses of this type of declaration was that it was not legally binding. At the beginning of the 1990s, therefore, the ICFTU, working with the International Trade Secretariats (ITS) and non-governmental organisations, mounted an international campaign for the inclusion of social clauses in international trade agreements.<sup>43</sup> This demand was put forward, notably, at the WTO Ministerial Conference in Singapore in 1996.<sup>44</sup> However, the final declaration adopted at the conference made no reference to it.

The ICFTU, with the involvement of the ETUC, in particular under the impetus of Peter Coldrick, pursued its campaign at the WTO's Ministerial Conference in Seattle in 1999. However, there was dissent between trade union organisations from the North and South

regarding the negative impact of ‘social protectionism’ on emerging economies.<sup>45</sup> In any case, the ICFTU-ETUC demands were once again disregarded at the multilateral gathering. This ultimately led the ICFTU to refocus its efforts on the ILO, whose tripartite structure accords international trade union organisations a more prominent role.<sup>46</sup>

However, another option appeared to be opening up from a European perspective. In 1994, the EU had reformed its Generalised System of Preferences (GSP – which reduces or waives tariffs on goods imported to Europe from developing countries in order to boost these countries’ exports). The Union had decided to use this system as a means of encouraging compliance with international conventions. As a result, those countries benefiting from European trade preferences could now have them temporarily withdrawn if they committed serious and systematic violations of the ILO conventions on freedom of association and the right to organise, collective bargaining, and the minimum age of admission to employment. The ETUC and ICFTU would make use of these new GSP rules, with complaints accordingly lodged against Burma and Pakistan.

From the 2003 Congress onwards, and with the arrival of John Monks within the Secretariat, the ETUC would endeavour to build on this strategy. ‘The number of workers participating in the world economy has trebled since 1990. We have seen and are seeing the impact on a range of industries starting in textiles, clothing and footwear.’<sup>47</sup> The aim was to ensure that a social dimension was incorporated in all EU trade, cooperation and association agreements as a matter of course, one that covered decent work, sustainable development and human and trade union rights. The reference point for this social dimension was to be the Charter of Fundamental Rights and the key method of enforcing it social dialogue. Europe was a soft power; it was essentially through trade and development that it should seek to exert an influence.

#### Box 45

##### Decent work in an international context

The trade union battle for decent work is a global aspiration, since bad wages and conditions in one part of the world automatically undermine workers in other areas.<sup>48</sup>

The ILO’s Decent Work Agenda<sup>49</sup> identifies four strategic goals:

- creating decent and productive employment;
- promoting access to social protection systems;
- respect for core labour standards; and
- stronger dialogue between the social partners.

These objectives apply to all workers: women and men, salaried or self-employed, in the formal and informal economies, the private and public sectors, and in all economic activities, including manufacturing, agriculture, office work, agency or homeworking.

According to the ILO, ‘decent work sums up the aspirations of people in their working lives’ – aspirations regarding income, rights and recognition, opportunities, family stability and personal development, fairness and gender equality.

In 2003, while the Doha Round negotiations were still in full swing, some ETUC members, in particular the three Italian trade unions, suggested that an international committee should be set up within the Confederation. Following this proposal, it was not a committee but a working group on trade, globalisation, development and decent work that was appointed in 2004. According to Sture Nordh (TCO), it was necessary to step up European action with regard to trade policy and the WTO, the advancement of human rights and ILO standards. In this respect, there was no competition with the internationals, but, rather,

close cooperation.<sup>50</sup> However, from 2006 onwards, the EU's trade strategy would undergo a serious overhaul, which would also have an impact on the ETUC's activities.

### 9.3.2. Bilateral and bi-regional trade strategies

In October 2006, the European Commission published its new strategy, 'Global Europe',<sup>51</sup> which set out a new approach to external relations, in particular to trade and market access. This strategy was a response to the breakdowns in the Doha Round (see above). The EU stated that it had no desire to retreat from multilateralism, but, all the same, it had decided to work harder at developing bilateral and bi-regional relations. In practice, that resulted in the launch of negotiations on free trade agreements, investment, the creation of market access strategies and the opening of public procurement markets with various regional blocks in Africa, Central and South America and Asia. This strategy aimed to lend new impetus – with varying degrees of success – to regional agreements that had been in force since the 1980s and 1990s, at least with regard to trade. Bilateral negotiations would subsequently begin with countries such as India, Russia, China and Canada, Japan and the United States.

The ETUC, which continued to favour multilateralism, recognised that it needed to adapt and to align its external activities with this regional approach. It would endeavour to demand the inclusion of ambitious social chapters in each of these agreements and its efforts would not be in vain. All the 'new-style' agreements now include chapters on sustainable development, which cover both social and environmental standards.

Nevertheless, this new climate of bilateralism presents an unprecedented challenge in relation to the two global economic and trade giants: the United States and the European Union. On 12 March 2013, the Commission adopted a draft negotiating mandate for a 'Transatlantic Trade and Investment Partnership' (TTIP) with the United States. These negotiations began in July of the same year. The impact of such an agreement is potentially huge. However, before looking in greater depth at the TTIP and its implications for transatlantic trade union cooperation between the ETUC and the AFL-CIO, it is instructive to recall how this undertaking came about and the extent to which its proponents appear, in some cases, to be particularly determined to ensure that the labour movement is excluded from it.

The proposed TTIP is, in fact, a resurrection of the draft free trade agreement between the EU and USA that the Commissioner Leon Brittan had attempted to negotiate, without any mandate, in 1995. It had been code-named the 'New Transatlantic Market'. At the time, however, this 'NMT' had caused such an outcry that the negotiations had to be broken off in 1998.

Not long after this initial failure, the Transatlantic Economic Partnership (TEP) was launched. In the context of this TEP, a plan was drawn up in 1998, following intense discussions between the United States administration and the Commission, laying down specific arrangements for increased cooperation in the fields of trade and investment.<sup>52</sup> This plan included a calendar of meetings and indicated the topics that would be discussed: services, agriculture, investment, intellectual property and public procurement etc.

The question of labour standards, while not a central consideration, was not entirely absent from the plan, however; it was agreed that a Transatlantic Labour Dialogue (TALD) would be set up in order to lay foundations for a better understanding of the labour issues connected with the TEP. Alongside this TALD, a Transatlantic Business Dialogue (TABD), Transatlantic Consumer Dialogue (TACD) and Transatlantic Environment Dialogue (TAED) were also to be established.

The first TALD meeting was held in Brussels in January 2000 as a forum for cooperation between the ETUC and the AFL-CIO. In 2001, a project entitled 'Improving Transatlantic Dialogue – The World of Work' was launched by ETUCO (the European Trade Union College, now the Education Department of the European Trade Union Institute) and the George Meany Center, the AFL-CIO's education establishment. The importance of this trade union cooperation could be summed up in two statistics cited by John Sweeney, the then President of the AFL-CIO: US firms employed around 4.1 million workers in Europe, while European companies had approximately 4.4 million Americans working for them.<sup>53</sup> To take just one example, the issue of European Works Councils was of particular interest to the US trade union.

Following George Bush's re-election as President of the United States in 2004, however, the US administration abruptly withdrew its support for the Transatlantic Labour Dialogue. It refused even to meet the social partners in the context of the G8 Summits, which Tom Jenkins, an adviser at the ETUC, describes as 'an unprecedented step that not even Thatcher had dared to take when chairing the G8'.<sup>54</sup> It was becoming increasingly apparent that while the Transatlantic Business Dialogue, which brought together leaders of the most powerful multinational corporations, had a decisive influence on the agenda of the US administration and the Commission, the TALD was being relegated to the rank of just one 'stakeholder' among many.

In 2007, in the wake of a fresh EU-US Summit, the Transatlantic Economic Council (TEC) was founded: the idea was to speed up the process of integrating the American and European economies. The TEC was co-chaired by the Commission Vice-President, Günter Verheugen. Those responsible for the various transatlantic dialogues ('Business', 'Consumer' and 'Legislators') were asked to advise him. Not in the case of the TALD, however. The ETUC repeatedly urged Verheugen to place the transatlantic dialogue conducted by the labour movement on the same footing as the dialogue held between business leaders and between consumer organisations, but to no avail.

It took a change of politics in the White House, with the arrival in office of Barack Obama in 2009, for the Commission, in a first overture, to propose granting the TALD the status of 'special adviser'. It was seen as a second-class status by the ETUC, which rejected the offer. The next change appeared to come from across the Atlantic: in April 2009, the US administration invited the AFL-CIO and the ETUC to a meeting in Washington to discuss the possibility of setting up an advisory group within the TEC that included representatives of trade union organisations. While the labour movement was no longer completely sidelined, this initiative did not mark a revival of the TALD as such.

In 2010, responsibility for the TEC passed from the Commission's Directorate-General for Enterprise to its Directorate-General for Trade, which can be interpreted as a sign that plans were already under way to launch trade negotiations. The EU-US Summit of 28 November 2011 established a 'High-Level Working Group on Jobs and Growth', the work of which would serve as a basis for the launch of the TTIP. The ETUC and the AFL-CIO were duly consulted, but were not invited to take part in this group, in which the *Transatlantic Business Dialogue* was represented.

What followed happened in quick succession: on 11 February 2013, the Working Group presented a report recommending that negotiations be launched between the EU and the United States on an 'ambitious' new agreement;<sup>55</sup> on 12 March, the Commission adopted a draft negotiating mandate for a free trade agreement with the United States (the TTIP). The time limit granted to the Member States for approving this mandate was extremely tight; on 8 July 2013 the first round of negotiations began in Washington. These negotiations, if they are successful, could have a huge impact on the European social model (see box 46).

## Box 46

**Transatlantic free trade agreement:  
the ETUC and AFL-CIO push for a 'gold standard'**

The impact of a free trade agreement between the European Union and the United States is likely to be immense. In theory, it could cover anything and everything: the regulatory framework, public services, social standards and public procurement, etc. That means that the European model of industrial relations and, in particular, European Works Councils, those bodies to which US multinationals were so vehemently opposed (see Chapter 7), could be at the centre of the discussions.

It is with that in mind that the ETUC is calling for a firm commitment from both parties 'to achieve a "gold standard" agreement, which ensures the improvement of living and working conditions on both sides of the Atlantic and safeguards from any attempt to use the agreement to lower standards or impinge on public authorities' right to regulate'.<sup>56</sup> In particular, the ETUC

has demanded that the agreement should not prevent national legislators from passing laws in fields such as employment policy, social security, environmental protection, occupational health and safety, consumer protection, and the protection of minority rights and of small and medium-sized enterprises. It has also appealed for greater transparency in the negotiations: whereas, in the United States, the AFL-CIO has several channels through which to put across its point of view on draft texts, the same is not true in Europe for the ETUC.

On 28 May 2013, the President of the AFL-CIO, Richard Trumka, and the General Secretary of the ETUC, Bernadette Ségol, met in Paris to coordinate their strategy in respect of full employment, decent work and social standards. Essentially, this inter-union strategy is to demand the inclusion in the draft EU-US agreement of an ambitious social benchmark that would become an international 'gold standard'. Will this strategy pay off? Only time will tell.

**Engaged, from the moment of its founding, in a process of extending solidarity, the European Trade Union Confederation has had to adapt its strategy to political and institutional developments within the European Union. Whether it was a matter, in the early days, of development cooperation through the Yaoundé and Lomé Conventions, of regional agreements with the Mediterranean region, the countries of South America, Africa and Asia, of multilateral trade negotiations, or, more recently, of the growing number of bilateral free trade and investment agreements, the ETUC has always called on the European institutions to include a strong social dimension in their external relations. That is because, in the eyes of the trade union movement, it is social justice that should be at the heart of the process of globalisation.**





## Conclusion

*As we celebrate the 40<sup>th</sup> anniversary of the ETUC, readers might well wonder if there is any real future for the trade union movement, particularly at European level. Surely it is simply a hangover from the past? Such a provocative question is clearly on the lips of many citizens and, even more clearly, on those of the members of a specific political and economic elite.*

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Over the last two or three decades, a form of rhetoric has gained ground that would seek to delegitimise collective action. This rhetoric – that strikes are merely rear-guard actions, disruptive of the well-oiled cogs of society – has convinced many listeners. Is it not the case, indeed, that the trade unions are finding it increasingly difficult to recruit new members? Is it not the case that employees, particularly younger ones, are more inclined to individualism than to collective action or the fight waged by previous generations for ‘respect for fundamental rights recognised in international agreements’?

Let us assume, for the purposes of this conclusion, that this is indeed the case. This then gives rise to a twofold question: does the trade union movement still hold any legitimacy in the 21<sup>st</sup> century? Does it still have anything to say, not just to employees and workers but also to employers and legislators?

The somewhat fraught history of the ETUC, attributable to a frequently unfavourable external context, as well as to its internal difficulties, offers a number of elements that are useful for developing analysis and thus for gaining some perspective. Let us look first of all at the question of legitimacy. The 40-year history of the European Trade Union Confederation is the history of a structure that has succeeded in enhancing its representativeness on a European level by overcoming the ideological divides that have characterised the international trade union movement and by affiliating organisations from across the European continent. These two achievements have enabled it to avoid the discordance to be expected in a societal structure in which the economy is, by nature, transnational, politics are national or regional, and the world of labour is confined to the workplace. The ETUC has performed the feat of building up a structure that brings together organisations

of a social democratic, social Christian and communist leaning, from Reykjavik to Larnaca, from the Mediterranean to the Barents Sea. It has 85 nation member confederations, 10 European sectoral trade union federations, seven observers and one associate organisation, totalling nearly 45 million individual affiliates.

According to the World Bank's estimates of Europe's economically active population,\* the ETUC now represents more than 16% of all workers, not in the European Union alone but also in Turkey, Switzerland, Norway, Iceland, Liechtenstein, Monaco, San Marino and Andorra. It is difficult, as such, to dispute the ETUC's representativeness. Yet this is something of which the European institutions need to be reminded from time to time, as they have a tendency to consider the trade union movement as simply one 'stakeholder' among many, even though more than one in seven workers pays membership fees to an organisation affiliated to this same European trade union movement.

The fact that the ETUC's representativeness is difficult to dispute makes its legitimacy when it speaks on behalf of the working world all the stronger. It is remarkable that, over the course of its 40 years of existence, there has been not the slightest case of internal split, despite all the difficulties inherent in harmonising such different models of trade unionism and collective action. Surely this means that, despite so many differences, there is a common 'core' of trade union values shared by all members? These are the values that we have endeavoured to tease out in the chapters of this book.

These last 40 years have also taught us that it can never be assumed that the political and institutional actors involved in the European project will actually listen to the workers' voices. Indeed, apart from during a number of short, specific periods – in particular, the start of the 1970s, the end of the 1980s and the start of the 1990s – most of those who have breathed life into the European institutions have rarely been concerned with the fate of the continent's workers, except for the frequent assertion that making the economy more competitive would suffice automatically to improve the standard of living of all European citizens. Let each individual citizen be the judge of how much truth this assertion contains.

What about the claim that Europe is indifferent to the fate of its workers? Of course, such a statement seems excessive. Perhaps, therefore, we would do well to consider what Europe might have been had it not been for the action of the ETUC, its affiliates and its political allies over the last 40 years. Let us then ask ourselves a few questions.

Given the enormous pressure from the multinationals, would the proposed Vredeling Directive ever have been adopted? Without the unions and their political allies, the idea of creating European works councils would have been dead and buried in the 1980s, along with any prospect of seeing employees from different sectors of big business receive the slightest information on the future of their jobs. Would they be at risk of losing their jobs tomorrow, even if the company were perfectly viable? Would not their fate – particularly within the multinationals – be immediate closure and relocation, without any strategy for managing change, finding alternative jobs, help for vocational retraining? Following on from this, what impact might such 'fluidity' and mobility of production sites in Europe have had on the taxation, environmental and social policies of each national government?

Without the unions and their political allies, where would health and safety in the workplace be? Consider issues such as protection from chemicals, from

asbestos-related risks, from industrial accidents and illnesses caused by the working environment: would employers, left to their own devices, have shown any concern for these? The current situation of Western companies or subcontractors in Asia gives us an insight into what happens in the absence of representative, powerful and determined trade union representatives: inhumane working conditions, hazardous workplaces, child exploitation, toxic environments, accidents, fires, and so on. Why is it that so many large employers, even in Europe, do not of their own accord show any concern (or very little) for the working conditions of their subcontractors around the world?

The European social dialogue would not, by definition, exist in the absence of trade unions. And without a social dialogue would the Commission, Parliament and Member State governments have come to a political agreement, for example, to guarantee four months of parental leave for all workers in Europe? Would they have reached a political agreement to prevent the anarchic development of 'disposable jobs' (an upsurge in the number of fixed-term work contracts, for example)?

Without unions and their political allies, how would the social security systems have resisted the privatisation offensive launched in the 1980s by the financial industry and propagated by members of specific political circles? This is not a matter of ideological opinion: in the wake of the 2008 financial crisis, we would very probably have witnessed the mass impoverishment of the European people, especially pensioners who placed their trust in private pensions linked to investment products, who could have seen their life savings disappear into thin air, as did in fact happen in some countries.

The Bolkestein Directive would, meanwhile, in the absence of trade unions, undoubtedly have been adopted as it stood, thereby fundamentally altering the direction of the European project. That project, based originally on a belief in the importance of cohesion and the notion of shared prosperity, would have been transformed into a blueprint for economic competition, wage competition, clashes between workers and, ultimately, between peoples, on the basis of which no lasting political integration would have been possible. Unfortunately, this inclination to transform the European project is still all too evident. Faced with growing socio-economic disparities in an ever larger European Union, the political leaders seem to have relinquished all commitment to the proposed 'harmonious development' of the economy that was, according to the objective enshrined in the Treaty of Rome, to have been achieved by narrowing the gaps between the different regions.

Without trade unions, who in Western Europe would have heard, back in the Iron Curtain era, of the Gdansk shipyards and of the anger of the workers employed there? How else would that anger have been expressed? How would the totalitarian regimes have reacted? More recently, beyond the strictly European context, in the absence of trade unions how would the peaceful demonstrations of the first Arab Spring have been able to take place?

Such political flights of fancy could, of course, seem whimsical. However, without wishing to suggest that the unions are alone in working for social progress, the intention is to show that no progress, let alone at European level, has been achieved without the determination of organised and legitimate actors, determined to defend the rights of the weakest and those who survive only on the strength of their labour (and not even on that if they are old, ill or disabled while yet retaining

the possibility, thanks to the welfare systems, to avoid being crushed by ‘self-regulating markets’).

What then, ultimately, is the project that the European trade union movement is attempting to resist? It is a project that might be described as ‘internal Euro-globalisation’, characterised by deregulation, unfettered free trade, greater labour market flexibility, the opening-up of social and tax systems to competition – not forgetting the essential tax havens for the elite and multinationals – wage dumping and population groups oppressed by ever greater competition. That the project we are describing is not an extreme scenario far removed from reality is evidenced by the following: a complaint made by Belgium to the European Commission in 2013, challenging the German authorities for indecent working conditions in German abattoirs – veritable ‘slave labour’ in the words of Lower Saxony’s Minister for Economic Affairs – refers to one ramification of this neoliberal project: companies from a country in the heart of Europe are threatening companies and jobs in another country by importing slave labour from peripheral countries and exporting unemployment to neighbouring countries. This is not a political flight of fancy but a reality in the European Union of the 21<sup>st</sup> century.

Such a project takes us back to ideas prevalent in the 18<sup>th</sup> century, so well described by Karl Polanyi in his exposition of Edmund Burke’s thought: ‘the solution to forcing the poor to earn their keep lay in the abolishment of the Elizabethan legislation without replacing it by any other. No assessment of wages, no relief for the able-bodied unemployed, but no minimum wages either, nor a safeguarding of the right to live. Labour should be dealt with as that which it was, a commodity which must find its price in the market. (...) To the politician and administrator *laissez-faire* was simply a matter of the ensurance of law and order, at minimum cost. Let the market be given charge of the poor, and things will look after themselves.’\*\* As we can see, social progress is not something that can be assumed or taken for granted.

The question we posed above was whether the trade union movement still holds any legitimacy in the 21<sup>st</sup> century. As long as the economic elite consider labour to be a simple commodity that has to find its price in a deregulated market, then the answer is ‘yes’. Is there a future for European trade unionism? If we believe in the idea of social progress, then again the answer is ‘yes’. Of course, the movement’s strategies and practices have to be continuously questioned from within. From the industrial era in the 19<sup>th</sup> century to the present day, when the levers of global economic power are in the hands of a number of intertwined multinational corporations, the trade union movement has had to renew itself constantly. Its action must be beyond reproach and must focus relentlessly on the social progress of all workers and citizens. This stance is the prerequisite for facing up to the trade union movement’s internal challenges, strengthening its mobilisation capacity, broadening its alliances and developing new forms of solidarity.

Now, on top of these perennial issues, other enormous challenges are coming to light. The ETUC will celebrate its 50<sup>th</sup> anniversary in 2023. Between now and then it will need to negotiate a positive solution to the European crisis. For the trade union movement, this will mean the following: a 10-year plan for European revival; a determined struggle against tax and wage dumping through better coordination of tax policies, including harmonisation of the tax base for corporations and corporation tax rates; a relentless struggle against tax havens; a reversal of the trend

towards growing inequality through consolidation of the social security systems; a resolute fight against unemployment through promotion of the green transition, climate technologies, renewable energies and resources, product sustainability, eco-transport systems and short supply chains, along with investment in the housing of tomorrow. Viewed in this perspective, the trade union movement is a collective and social force ready to help Europe to reclaim and remodel its own destiny.

\* Total labour force comprises people aged 15 and older who meet the International Labour Organization's definition of the economically active population: all people who supply labour for the production of goods and services during a specified period. It includes both the employed and the unemployed.  
<http://data.worldbank.org/indicator>.

\*\* Polanyi K. (1944) *The Great Transformation*, © Polanyi, 1944. Pub: Beacon, ISBN 0-8070-5679.





# Appendices

## Notes and bibliographical references

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### Chapter 1

1. The Congress of Industrial Organisations – CIO – was part of the WFTU.
2. This split was also caused by differences with regard to the International Trade Secretariats (ITS).
3. A split only brought an end in 2006, with the founding of the International Trade Union Confederation (ITUC). See Gumbrell-McCormick R. (2013) *The International Trade Union Confederation: from two (or more?) identities to one*, *British Journal of Industrial Relations*, 51 (2), 240-263.
4. In 1958, there were 19 International Trade Secretariats associated with the ICFTU, which were of a socialist persuasion. At the time of the founding of the ICFTU in 1949, the Secretariats gained more autonomy, being equipped with greater financial independence and differing constitutions.
5. Meynaud J. (1962) *L'action syndicale et la Communauté économique européenne*, Lausanne, École des HEC. (p. 14)
6. The EEC was founded by the countries at the heart of continental Europe: Germany, France, Italy, the Netherlands, Belgium and Luxembourg. The EFTA was established by the United Kingdom, the 'Nordic' countries (Denmark, Norway and Sweden) and Austria, Switzerland and Portugal. Other countries would also join the EFTA, such as Iceland and Finland (in 1970 and 1986, respectively).
7. See the ICFTU Archives held by the International Institute of Social History (IISH): Executive Board – minutes, agenda, resolutions, working papers and other documents relating to the meetings of the Executive Board (1949-1992), Folder 2, 2nd meeting, Brussels, 25-27 May 1950.
8. Rifflet R. (1958) *Les syndicats belges et la C.E.C.A.*, *Revue de l'Institut de sociologie*, 1, 139-230.
9. Monnet J. (1976) *Mémoires*, Paris, Fayard. (p. 475 et seq.)
10. Pernot J.-M. (2003) « Mondialisons la solidarité ». *Le congrès de la Fédération internationale des transports*, *Chronique internationale de l'IRES*, 80, 1-11. (p. 7)
11. The DGB (Federal Republic of Germany), FGTB/ABVV (Belgium), NVV (the Netherlands), CISL and UIL (Italy), CGT-FO (France) and CGT (Luxembourg).
12. The Executive Committee was chaired by L. Rosenberg, President of the DGB (FRG). Its Vice-Chairs were B. Storti, General Secretary of the CISL (Italy) and L. Major, General Secretary of the FGTB (Belgium). The committee members were: A. Bergeron, General Secretary of the CGT-FO (France), O. Brenner, Chair of IG Metall (Germany), I. Viglianesi, General Secretary of the UIL (Italy), M. Hinterscheid, General Secretary of the CGT (Luxembourg), A. H. Kloos, Chair of the NVV (Netherlands) and C. Veillon, Confederal Secretary of the CGT-FO (France). W. Schevenels, General Secretary of the ERO, represented the ERO, while A. Gailly, Chair of the Centrale des métallurgistes de Belgique, the Belgian metalworkers' union, represented the Executive Committee of the Coalition of Miners' and Metalworkers' Unions of the ECSC.
13. The TUC (United Kingdom), ÖGB (Austria), SGB (Switzerland), LO (Norway), LO (Sweden) and LO (Denmark).
14. Tilly P. (2005) *André Renard. Pour la révolution constructive*, Bruxelles, Le Cri. (p. 497)
15. Beever R. C. (1960) *European unity and the trade union movements*, Leyden, A.W. Stijhoff. (p. 54-56)
16. Gobin C. (1996) *Consultation et concertation sociales à l'échelle de la Communauté économique européenne. Étude des positions et stratégies de la Confédération européenne des syndicats (1958-1991)*, Bruxelles, ULB. (p. 415)

17. Verschuieren N. (2010) *Fermer les mines en construisant l'Europe. Une histoire sociale de l'intégration européenne*, Bruxelles, ULB.
18. Resolution of the ICFTU, 5 November 1959.
19. *Idem*. For the record, the European Parliament would not be elected by universal suffrage until 1979.
20. Pasture P. (1998) *Adieu aux illusions, la C.I.S.C. devant la C.E.E. 1958-1974*, in Bussière E. and Dumoulin M. (eds.) *Milieus économiques et intégration européenne*, Arras, Artois Presses Université, 371-386.
21. Verschuieren N. (2013) *Fermer les mines en construisant l'Europe. Une histoire sociale de l'intégration européenne*, Bruxelles, P.I.E Peter Lang. (p. 13-27)
22. Dinan D. (2006) *The historiography of European integration*, in Dinan D. (ed.) *Origins and evolution of the European Union*, Oxford, Oxford University Press, 297-324. See also: Milward A. S. (2000) *The lives and teachings of the European saints*, in Milward A. S. (ed.) *The European rescue of the Nation-state*, 2<sup>nd</sup> ed., London, Routledge.
23. The LO in Denmark, TUC in the United Kingdom, SGB in Switzerland, LO in Norway, ÖGB in Austria, ASI in Iceland, TUK in Finland and LO and TCO in Sweden.
24. The American trade union was critical of the contact maintained between its European affiliates (in particular the DGB) and trade unions in the Soviet Bloc countries.
25. This office would remain in existence from 1966 to 1974.
26. Now known as BusinessEurope.
27. Kirchner E. (1980) *Interest group behaviour at community level*, in Hurwitz L. (ed.) *Contemporary perspectives on European integration*, Westport, Greenwood Press. (p. 201). See also Paulus D. (1972) *La création du Comité permanent de l'emploi des Communautés européennes*, Bruxelles, Bruylant. Both texts refer to the difficulty for European employers' and trade union organisations to arrive at joint positions. Gobin nevertheless demonstrates that it was possible to identify areas of consensus, in particular as regards the demand for a tripartite conference on employment. See Gobin, C. (1996), *op. cit.*
28. Norway also applied to join the Community.
29. ETUC Archives, File 1029, note from Théo Rasschaert to O. Kersten and K. Sandegren, 10 November 1972.
30. Report to the Council and the Commission on the realisation by stages of economic and monetary union in the Community - 'Werner Report', Supplement to the Bulletin of the European Economic Community N° 11, 1970, p. 12.
31. Speech by E. Gabaglio at the conference marking the 40<sup>th</sup> anniversary of ETUC, 'Celebrating the past, looking to the future', Madrid, 28 January 2013. This ILO episode would be described by Georges Debunne as merely the final straw. See Debunne, G. (1987), p. 42.
32. ETUC Archives, *Constitution*, Preamble, Brussels, 1973. Excerpts concerning the organisation of European trade unions taken from speeches given at the ICFTU Congress in London, 10-14 July 1972, p. 22.
33. A resolution on multinational corporations and conglomerates adopted by the ICFTU in July 1969 stated that, 'the multinationals have escaped any form of democratic control' and seriously challenged the labour movement by 'jeopardising the democratic national development planning [...]; arbitrarily transferring production facilities from one country to another [...]; evading taxes [...]; inducing competition between host countries [...]', Ninth World Congress, Brussels, 2-8 July 1969.
34. Debunne G. (1987) *Les syndicats et L'Europe : passé et devenir*, Bruxelles, Labor. (p. 27)
35. The Standing Committee on Employment was set up by Council Decision 70/532/EEC of 24 December 1970. It was established in response to a wish expressed by representatives of employers' and workers' organisations at the conference on employment problems held in Luxembourg on 27 and 28 April 1970.

36. ETUC Archives, File 1029, note from Théo Rasschaert to O. Kersten and K. Sandegren, 10 November 1972.
37. As referred to in *Le Monde*, 17 July 1972.
38. *Idem*.
39. Barnouin B. (1986) *The European labour movement and European integration*, London, Pinter. (p. 38)
40. Carew A. (2002) *Free trade unionism in the international context*, Paper presented at The International Labour Movement on the Threshold of Two Centuries conference, Swedish Labour Movement Archives and Library, Stockholm, 24 and 25 October.
41. Oral archives of the European Union, retranscription of an interview given by Georges Debunne on 21 December 1998 in Brussels.
42. In this respect, it is interesting to note that the leaders of all these unions were members of Jean Monnet's Action Committee for the United States of Europe, alongside the leaders of the Christian trade unions in the countries in question.
43. Moreno J. and Gabaglio E. (2006) *El reto de la Europa social: 30 años de la confederación europea de sindicatos [The Challenge of a social Europe: 30 years of the European Trade Union Confederation]*, Germania Alzira, Valencia. (p. 77)
44. Barnouin B. (1986) *The European labour movement and European integration*, London, Pinter. (p. 37)
45. The CGT had applied to join in the mid-1970s, a desire that was reiterated at each of its congresses from 1978. In fact, this desire reflected the gradual and successive shift towards reformism by its highest-ranking leaders. The CGT would be admitted to the ETUC in 1999.
46. The CGT would take the same path in 1999, leaving the WFTU and seeking the support of the CFDT. It should be noted, at this juncture, that the CGIL and CGT had set up a joint committee in Brussels in 1966.

## Chapter 2

1. Organisation of the Petroleum Exporting Countries.
2. In this chapter, we shall not attempt to describe the ETUC's positions on all subjects, which would be more or less impossible; we shall cover only those relating to matters which appear, to us, to be of particular importance. The thematic chapters that follow aim to provide a more detailed analysis of the ETUC's positions, in particular Chapter 4 regarding social dialogue, Chapter 5 questions of social and economic governance, Chapter 6 the balance between economic freedoms and social rights, and Chapter 7 economic democracy within companies.
3. Statement from the Paris Summit, 19 to 21 October 1972.
4. *Ibid*.
5. *Ibid*.
6. This regional policy, of which the United Kingdom would be a main beneficiary, was also a way of making up for the agricultural policy, which benefited France primarily.
7. Moreno J. and Gabaglio E (2006) *El reto de la Europa social: 30 años de la confederación europea de sindicatos [The challenge of a social Europe: 30 years of the European Trade Union Confederation]*, Valencia, Germania Alzira.
8. These texts would be followed, in 1977, by the Directive on the safeguarding of employees' rights in the event of transfers of undertakings, and, in 1980, by the Directive on the protection of employees in the event of the insolvency of their employer.
9. Council of the European Communities (1975) Council Directive 75/129/EEC of 17 February 1975 on the approximation of the laws of the Member States relating to collective redundancies, OJ L 48, 22 February 1975. This Directive would be revised in 1998.

10. Mias A. (2004) Le dialogue social européen (1957-2005): genèse et pratiques d'une institution communautaire, doctoral thesis in Sociology, Paris, CNAM, p. 78.
11. Court of Justice of the European Union (1971) Judgment of the Court of 25 May 1971. Gabrielle Defrenne v Belgian State. Reference for a preliminary ruling by the Belgian Conseil d'Etat. Equal pay. Case 80/70.
12. Council of the European Communities (1975) Regulation (EEC) N° 337/75 of the Council of 10 February 1975 establishing a European Centre for the Development of Vocational Training, OJ L 39, 13 February 1975.
13. Council of the European Communities (1975) Regulation (EEC) N° 1365/75 of the Council of 26 May 1975 on the creation of a European Foundation for the improvement of living and working conditions, OJ L 139, 30 May 1975.
14. Guasconi M. E. (2004) Les syndicats et la relance de la politique sociale européenne, *Revue européenne de formation professionnelle*, 32 (1), 61-69. For more detailed background information, see Varsori A. (2006) *Sfide del mercato e identità europea*, Milano, FrancoAngeli.
15. Guasconi M.E., *op. cit.*, p. 67.
16. Established by Decision N° 2241/2004/EC of the European Parliament and of the Council of 15 December 2004.
17. See: <http://www.europarl.europa.eu/aboutparliament/en/000cdcd9d4/%C2%A0Taux-de-participation-%281979-2009%29.html>. It should be noted that turnout in the 2009 elections was as low as 43%.
18. Source: <http://www.europarl.europa.eu/aboutparliament/en/004a50d310/Composition-du-Parlement.html>.
19. Gabaglio E. and Hoffmann R. (eds.) (1998) *The ETUC in the mirror of industrial relations research*, Brussels, ETUI.
20. Devin G. and Neuman L. (1984) *La Confédération européenne des Syndicats*, *Pouvoirs*, 31, 149-161, p. 159.
21. ETUC, Activity Report 1973-1975.
22. See, *inter alia*, Gobin C. (1997) *L'Europe syndicale*, Bruxelles, Presses universitaires de l'ULB; and most importantly, Dølvik J. E. (1999) *An emerging island? ETUC, social dialogue and the Europeanisation of the trade unions in the 1990s*, Brussels, ETUI.
23. Martin A. and Ross G. (1998) *European integration and the Europeanization of labor*, Working Paper 1998/16, p. 10.
24. Goetschy J. (1996) *ETUC: the construction of European unionism*, in Leising P., Van Leemput J. and Vilroix J. (eds.) *The challenges to trade unions in Europe: innovation and adaptation?*, London, Edward Elgar Press.
25. ETUC, Activity Report 1976-1978, presented at the Munich Congress.
26. *Intersocial* (1978) N° 37.
27. Decision taken in November 1978.
28. Committee of Permanent Representatives, i.e. the Member States' Ambassadors to the Community.
29. ETUC, Activity Report 1976-1978, presented at the Munich Congress.
30. Action programme – general resolution and specific resolutions, 1979-1982, approved by the 3<sup>rd</sup> Statutory Congress, Munich, 14-18 May 1979.
31. Introduction to the Activity Report, Mathias Hinterscheid, 20 April 1982.
32. Opening speech by Wim Kok, 19 April 1982, The Hague.
33. *Ibid.*
34. ETUC, Activity Report 1979-1981.
35. Georges Debunne, closing speech to The Hague Congress, 23 April 1982.
36. On these subjects, see Chapters 4 (European social dialogue), 5 (economic and social governance), 6 (economic freedoms and social rights) and 7 (economic democracy).

37. ETUC, Activity Report 1982-1984.
38. General Resolution of the 5<sup>th</sup> Statutory Congress of the ETUC, Milan, 13-17 May 1985.
39. ETUC, Activity Report 1982-1984.
40. *Ibid.*
41. Speech by Jacques Delors to the 5<sup>th</sup> Statutory Congress of the ETUC, Milan, 16 May 1985.
42. Gobin C. (1992) La Confédération européenne des syndicats. Son programme d'action au fil de ses congrès, *Courrier hebdomadaire* 1367-1368, Bruxelles, CRISP.
43. Finally, as Gobin also observed, from the time of the Milan Congress, the incorporation of Community 'institutional vocabulary' in ETUC discourse became apparent, a lexicon that was, however, quite alien to it. *Ibid.*
44. Ohayon G. (1985) Les organisations syndicales et patronales espagnoles et l'adhésion de l'Espagne à la Communauté européenne, *Matériaux pour l'histoire de notre temps*, 3 (3-4), 116-118.
45. Cited in Trouvé M. (2009) L'Espagne et l'Europe : de la dictature de Franco à l'Union européenne, Bruxelles, PIE, p. 304.
46. Comunidad Europea (1982), N° 6, Madrid.
47. Degryse C. (2011) Dictionnaire de l'Union européenne, Bruxelles, Larcier.
48. Commission of the European Communities (1985) Completing the Internal Market: White Paper from the Commission to the European Council (Milan, 28-29 June 1985), COM(85) 310 final, 14 June 1985.
49. Opening speech by Ernst Breit to the 6<sup>th</sup> Statutory Congress of the ETUC, Stockholm, 9-13 May 1988.
50. Delors J. (2004) Mémoires, Paris, Plon, p. 315.
51. Speech by the President of the Commission of the European Communities, Jacques Delors, to the 6<sup>th</sup> Statutory Congress of the ETUC, Stockholm, 9-13 May 1988.
52. Delors J. (1992) Le nouveau concert européen, Paris, Odile Jacob, p. 74.
53. Dølvik J. E., Building regional structures, *op. cit.*, p. 63.
54. Laulom S. (ed.) (2005) Recomposition des systèmes de représentation des salariés en Europe, Saint-Étienne, Publ. de l'Université de Saint-Étienne, p. 102.
55. A 'European Social Charter' had been adopted in 1961 within the institutional framework of the Council of Europe. Entering into force in 1965, this charter complemented the European Convention on Human Rights and enshrined the social rights contained in the United Nations Universal Declaration of Human Rights of 1948.
56. Resolution of the Executive Committee of the DGB of 10 May 1989, cited in Jonckheer P. and Pochet P. (1990) De la charte sociale au programme d'action de la Communauté européenne, *Courrier hebdomadaire* 1273-1274, Bruxelles, CRISP.
57. In the ETUC's view, the Charter should be aimed more generally at all Community citizens and not just at employees.
58. Communication from the Commission concerning its Action programme relating to the implementation of the Community Charter of Basic Social Rights for Workers, COM(89) 568 final, 29 November 1989.
59. ETUC Archives, 943, letter of 23 November 1989 from E. Breit to the presidents and general secretaries of the affiliated confederations.
60. General Resolution, 'European trade unionism at the heart of change in a changing world', approved by the 7<sup>th</sup> Statutory Congress of the ETUC, Luxembourg, 13-17 May 1991, p. 18.
61. Gobin C. (1992) La Confédération européenne des syndicats. Son programme d'action au fil de ses congrès, *Courrier hebdomadaire* 1367-1368, Bruxelles, CRISP, p. 67. It should be noted that Gobin would subsequently identify the Luxembourg Congress as the one which marked a departure from the ETUC's previous thinking and its inability to 'reconstruct a utopia of social

- transformation' (Gobin C. (2000) *Le programme de la Confédération européenne des syndicats. Les congrès de 1995 et 1999*, Courrier hebdomadaire 1675, Bruxelles, CRISP).
62. Dufresne A. (2002) Oskar Lafontaine's dream: an opportunity for economic policy co-ordination?, in Degryse C. and Pochet P. (eds.) *Social developments in the European union 2001*, Brussels, ETUI/OSE, 85-113.
  63. Declaration on the Treaty on European Union, adopted by the ETUC's Executive Committee at its meeting of 5 and 6 March 1992, p. 12.
  64. ETUC Archives, minutes of the meeting of the Executive Committee of 11 and 12 June 1992.
  65. Commission of the European Communities (1993) *Growth, competitiveness, employment: the challenges and ways forward into the 21<sup>st</sup> Century - White paper*, COM(93) 700, 5 December 1993.
  66. ETUC, 'Growth, competitiveness, employment. Preliminary contribution of the ETUC to the Commission's White Paper', adopted by the Executive Committee on 7 and 8 October 1993.
  67. ETUC, Activity Report 1991-1994, Brussels, 9-12 May 1995, p. 31.
  68. Commission of the European Communities (1997) *General report on the activities of the European Union - 1996*, Luxembourg, Office of Official Publications of the European Communities.
  69. ETUC, Activity Report 1991-94, *op. cit.*
  70. Gobin C. (2000) *Le programme de la Confédération européenne des syndicats. Les congrès de 1995 et 1999*, Courrier hebdomadaire 1675, Bruxelles, CRISP.
  71. In reality, the euro now existed, even if euro coins and notes would not be introduced until January 2002.
  72. Paragraph 18 of the General Trade Union Policy Resolution adopted by the 9<sup>th</sup> Statutory Congress of the ETUC, Helsinki, 29 June to 2 July 1999.
  73. For more information on this subject, see Dufresne A. (2010) *Le salaire, un enjeu pour l'euro-syndicalisme. Histoire de la coordination des négociations collectives nationales*, Nancy, Presses universitaires de Nancy.
  74. Indeed, Article 6(1) TEU stated that this Charter would 'have the same legal value as the Treaties'. While retaining the bulk of the draft charter contained in the Treaty establishing a Constitution for Europe (TCE), the Lisbon Treaty referred to the Charter without incorporating the text within the Treaties themselves.
  75. Gobin C. (2004) *La Confédération européenne des syndicats. Résolutions du congrès de Prague et position du syndicalisme belge*, Courrier hebdomadaire 1826-1827, Bruxelles, CRISP.
  76. Frege C.M. and Kelly J. (2004) *Varieties of unionism. Strategies for union revitalization in a globalizing economy*, Oxford, Oxford University Press.
  77. *Ibid.*, p. 182.
  78. 'Make Europe Work for the People', Action Programme adopted at the 10<sup>th</sup> Statutory Congress, Prague, 26-29 May 2003.
  79. The enlargement process is far from completed, as new negotiations opened with Turkey in 2005 and with Iceland in 2010, while all the countries of the Balkans are expected to join the EU.
  80. ETUC, Activity Report 1999-2002, p. 69.
  81. Resolution of the ETUC Executive Committee, 'The European Constitution', adopted on 13-14 October 2004.
  82. ETUC (2009) *ETUC looks forward to the entry into force of the Lisbon Treaty*, Press release, 5 November 2009. <http://www.etuc.org/a/6664>
  83. ETUC (2007) *Strategy and Action Plan 2007-2011*, Seville Congress of 2007, paragraph 45, p. 84.
  84. 'Seville Manifesto' adopted by the 11<sup>th</sup> ETUC Congress, Seville, 21-24 May 2007.



85. Dufresne A. (2010) *Le salaire, un enjeu pour l'euro-syndicalisme. Histoire de la coordination des négociations collectives nationales*, Nancy, Presses universitaires de Nancy.
86. *Op. cit.*, p. 62.
87. ETUC press release of 4 April 2008, Ljubljana.
88. Subprime loans are a form of credit granted to households without the necessary guarantees to qualify for ordinary borrowing ('prime-rate' lending), enabling them to gain access to the property market. They are high-yield mortgages with an increased risk that the borrower will default. Lenders thought they could limit this risk through the –supposedly continuing – rise in property rises.
89. <http://www.etuc.org/a/5367>.
90. ETUC Archives, Minutes of the meeting of the Steering Committee of 18 November 2010.
91. Schömann I. and Clauwaert S. (2012) *The crisis and national labour law reforms: a mapping exercise*, Working Paper 2012.04, Brussels, ETUI.
92. 'Moving from austerity to prosperity', speech by John Monks, General Secretary of the ETUC, to the 12<sup>th</sup> ETUC Congress, Athens, 16 May 2011. <http://www.etuc.org/a/8334>.
93. Degryse C. (2012) *La nouvelle gouvernance économique européenne*, Courrier hebdomadaire 2148-2149, Bruxelles CRISP. Published in English as: Degryse C. (2012) *The new European economic governance*, Working Paper 2012.14, Brussels, ETUI.
94. <http://www.etuc.org/a/10887>.
95. ETUC (2011) *Strategy and Action Plan 2011-2015*, p. 10.

### Chapter 3

1. ETUC, Activity Report 1979-1981, p. 17.
2. Interview with J. Rouzier, Paris, 8 June 1983. Cited in Devin G. and Neuman L. (1984) *La Confédération européenne des syndicats*, Pouvoirs, 31, p. 156.
3. Devin G. and Neuman L. (1984) *op. cit.*, p. 156.
4. Gobin C. (1997) *L'Europe syndicale entre désir et réalité : essai sur le syndicalisme et la construction européenne à l'aube du XXI<sup>e</sup> siècle*, Bruxelles, Labor.
5. Bourdieu P. (2002) *Pour un mouvement social européen, Manière de voir* 61, Le Monde Diplomatique, January-February 2002.
6. On the same premises as the ICFTU (until its dissolution in 2006) and as the International Trade Union Confederation (ITUC) today.
7. Interview with Bernadette Ségol, 19 January 2013.
8. Minutes of the preparatory meeting for the first Congress, 9 January 1973.
9. Interview with Jean Lapeyre, Brussels, 6 November 2012.
10. Dølvik J.E. (1999) *An emerging island? ETUC, social dialogue and the europeanisation of the trade unions in the 1990s*, Brussels, European Trade Union Institute.
11. Ross, G.: *op. cit.*, p. 20.
12. Streek W. (1994) *European social policy after Maastricht: the social dialogue and subsidiarity*, *Economic and Industrial Democracy*, 15 (2), 151-177.
13. However, the Congress, with the backing of two-thirds of delegates, may decide that a candidate is exempt from this rule.
14. Cited in Moreno J. and Gabaglio E. (2006) *op. cit.*, p. 140.
15. It should be noted that the role of President of the ETUC is not a full-time post.
16. Although it had not been a member of the WCL and its founders had been involved in setting up the International Confederation of Free Trade Unions (ICFTU) in 1949.
17. International Garment, Textile and Leather Workers' Federation.

18. A post he would occupy until the London Congress (1976), following which he became General Secretary of the WCL.
19. Debunne G. (1987) *Les syndicats et l'Europe*, Bruxelles, Labor.
20. Moreno J. (2001) *Trade unions without frontiers. The communist-oriented trade unions and the ETUC (1973-1999)*, Brussels, European Trade Union Institute.
21. The ETUC voted in favour of the CGIL's admission by 21 votes to 7 ((DGB (3 votes), FO, France (1 vote), LCGB, Luxembourg (1 vote), CNG, Switzerland (1 vote) and CSC, Belgium (1 vote)). Report on the meeting of the Executive Committee of 9 July 1974, Brussels.
22. Moreno J. and Gabaglio E. (2003) *op. cit.*, p. 98.
23. The abbreviations used here are those used in the country of origin. The figures for the UGT and STV (Spain) are not known.
24. Which would result in the creation of the European Economic Area, which came into being in 1994.
25. See Dølvik J.E (1999) *op cit.*, p. 119-140.
26. Moreno J. and Gabaglio E. (2006) *op. cit.*, p. 139.
27. See, in this regard, the in-depth analysis produced by Dølvik J.E. (1999) *op. cit.*, p. 148 *et seq.* For details of the content of the report and its specific proposals, see also Moreno J. and Gabaglio E. (2006) *op. cit.*, p. 144-145.
28. ETUC, Stekelenburg Report, Brussels, December 1990, p. 11.
29. Interview with Emilio Gabaglio conducted by Pierre Tilly, 29 December 2012.
30. Braud M. (2000) *Agenda 2000 chargé pour la Confédération européenne des syndicats*, *Chronique internationale de l'IRES*, 63, 50-57.
31. <http://springalliance.eu>
32. Martin A. and Ross G. (1999) *In the line of fire: the Europeanization of labor representation*, in Martin A. and Ross G. (eds.) *The brave new world of European labor: European trade unions at the millenium*, New York, Berghahn Books, 312-367.
33. Turner L. (1996) *The europeanization of labor: structure before action*, *European Journal of Industrial Relations*, 2 (3), 325-344.
34. Martin A. and Ross G. (2001) *Trade union organizing at the European level: the dilemma of borrowed resource*, in Imig D. et Tarrow S. (eds.) *Contentious Europeans: protest and politics in an emerging polity*, Oxford, Rowman & Littlefield, p. 74.
35. Debunne G. (1987) *op. cit.*
36. Interview with Emilio Gabaglio, Brussels, 29 September 2012.
37. Buschak W. (2003) *Der Europäische Gewerkschaftsbund und die Europäischen Gewerkschaftsverbände*, in Optenhögel U., Schneider M. et Zimmermann R. (dirs.) *Europäische Gewerkschaftsorganisationen. Bestände im Archiv der sozialen Demokratie und in der Bibliothek der Friedrich-Ebert-Stiftung*, Bonn, Friedrich-Ebert-Stiftung, 9-19.
38. Interview with Bernadette Ségol, 18 January 2013.
39. Interview with Bernadette Ségol, 18 January 2013.

## Chapter 4

1. Degimbe J. (1991) *La politique sociale européenne. Du traité de Rome au traité d'Amsterdam*, Bruxelles, ETUI, p. 191.
2. Didry C. and Mias A. (2005) *Le moment Delors. Les syndicats au cœur de l'Europe sociale*, Bruxelles, P.I.E.-Peter Lang, p. 42.
3. Thwaites J. D. (ed.) (2004) *La mondialisation. Origines, développements et effets*, Québec, PUL, p. 398.

4. Extract from the letter of invitation sent by Mr Bérégovoy to the European social partners on 21 February 1984 (cited in Debunne G. (1987) *Les syndicats et l'Europe*, Bruxelles, Labor, p. 167).
5. Debunne, *op. cit.*
6. Interview with Jean Lapeyre conducted by Pierre Tilly on 6 November 2012.
7. CCE, *Dialogue social européen: les avis communs*, undated, p. 14. For a more detailed look at UNICE and this issue, see Tyszkiewicz Z. (1991) UNICE: the voice of European business and industry in Brussels, in Sadowski D. and Jacobi O. (eds.) *Employers' associations in Europe: policy and organisation*, Baden-Baden, Nomos.
8. *Ibid.*, p. 15.
9. *Ibid.*, p. 13.
10. Interview with Jean Lapeyre conducted by Pierre Tilly on 6 November 2012.
11. Bercusson B. (1992) Maastricht: a fundamental change in European labour law, *Industrial Relations Journal*, 23 (3), 177–190.
12. Interview with Emilio Gabaglio, conducted by Pierre Tilly on 30 September 2012.
13. The Maastricht Treaty entered into force in 1993, granting the United Kingdom special status with regard to social policy (*inter alia*). At the time of the drafting of the Amsterdam Treaty in 1997, the new Labour Government put an end to this exception and signed up to the Agreement on Social Policy, enabling this annex to be integrated within the Treaty proper (Articles 118(4), 118a and 118b).
14. Marginson P. and Sisson K. (2004) *European integration and industrial relations. Multi-level governance in the making*, New York, Palgrave.
15. Dølvik J.E. (1997) *Redrawing boundaries of solidarity? ETUC, social dialogue and the europeanisation of trade unions in the 1990s*, Oslo, Arena; Erne R. (2004) *Organized labour – an actor of Euro-democratisation, euro-technocracy or re-nationalisation?: trade union strategies concerning the European integration process*, European University Institute PhD theses, Florence.
16. Hyman R. (2001) *Some problems of partnership and dilemmas of dialogue*, in Kjaergaard C. and Westphalen S.-A. (eds.) *From collective bargaining to social partnerships: new roles of the social partners in Europe*, The Copenhagen Centre, Copenhagen, 36-60.
17. Interview with Emilio Gabaglio, conducted by Pierre Tilly on 30 September 2012.
18. *Idem.*
19. The European Centre for Industrial Relations (ECIR) was set up in 1995 at the instigation of the social partners. Based in Florence and working in collaboration with the European University Institute, its purpose was to provide joint training for high-ranking members of employers' organisations and workers in order to deepen their knowledge of the European dimension of industrial relations. After three years in existence, it unfortunately had to suspend its activities owing to waning interest from employers and an end to its European financing.
20. *Idem.*
21. 'Releasing Europe's employment potential. Companies' views on European Social Policy beyond 2000.', UNICE, September 1999. See the summary in Agence Europe's Daily Bulletin of 20 to 21 September 1999 and the ETUC's reaction in the issue dated 22 September 1999.
22. Dufresne A., Degryse C. and Pochet P. (eds.) (2006) *The European sectoral social dialogue. Actors, developments and challenges*, Bruxelles, P.I.E.-Peter Lang.
23. European Council, *Conclusions of the Barcelona European Council*, 15-16 March 2002, p. 46.
24. *Ibid.*
25. Council Decision of 6 March 2003 establishing a Tripartite Social Summit for Growth and Employment, OJ L 70, 14 March 2003.
26. Extended to 2011 owing to the holding of the ETUC's Athens Congress in May 2011, which would see the appointment of a new team within the Secretariat.

27. Degryse C. (ed.) (2011) Rapport final "Dialogue social européen : bilan et perspectives", Bruxelles, Observatoire social européen. Contrat VP/2010/001/0019.
28. *Ibid.*
29. ETUC (2012) Working Time negotiations: we note with regret that the employers proposals are very unbalanced, Press release, 14 December 2012, <http://www.etuc.org/a/10658>.
30. European Commission (2011) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Annual Growth Survey - Advancing the EU's comprehensive response to the crisis, COM(2011) 11 final, 12 January 2011.
31. Letter of 11 January 2011 from John Monks, General Secretary of the ETUC, to Olli Rehn, Commissioner for Economic and Monetary Affairs.

## Chapter 5

1. Van Apeldoorn B. (2000) Transnational class agency and European governance: the case of the European Round Table of Industrialists, *New Political Economy*, 5 (2), 157-181.
2. Gobin C. (1997) *L'Europe syndicale*, Bruxelles, Labor, p. 86-87.
3. Founded in 1979 by Heinz-Oskar Vetter and Luigi Macario, following the election of these two former trade union leaders to the European Parliament (the former to the Socialist Group and the latter to the Group of the European People's Party), the purpose of Parliament's Trade Union Intergroup was to acquaint MEPs with the trade union movement's positions on the issues featured on the parliamentary agenda. Coordinated by the ETUC and officially recognised by Parliament, it was extremely useful in terms of ensuring contact between the ETUC and Parliament at an early stage in proceedings, as was the case, for instance, with the REACH legislation and the Directive on Temporary Agency Work.
4. Fitoussi J.-P. and Szpiro D. (1983) Politique de l'emploi et réduction de la durée du travail, *Revue de l'OFCE*, 4 (4), 99-116.  
For a more general view, see Degimbe J. (1999) La politique sociale européenne. Du Traité de Rome au Traité d'Amsterdam, Bruxelles, Institut syndical Européen, p. 100-104.
5. The CFDT journal *Aujourd'hui*, January 1982, p. 4.
6. ETUC, Activity Report 1982-1984, p. 50.
7. Historical Archives of the European Commission (HAEC), Tray 83, file 288, ETUC. Conference on Employment held in Strasbourg on 5 and 6 April 1984.
8. This idea would be popularised by the Cecchini Report of 1988 and had been discussed in European federalist circles in the mid-1980s. See Albert M. (1985) Le coût de la « non-Europe » et l'alternative européenne, *Essais*, XXVII (1), p. 49.
9. ETUC, Activity Report 1982-1984, p. 52.
10. *Ibid.*
11. Dølvik J. E. (1999) L'émergence d'une île ? La CES, le dialogue social et l'eupéanisation des syndicats dans les années 90, Bruxelles, Institut syndical européen, p. 85.
12. 'The social dimension of the internal market', Resolution adopted by the Executive Committee of the ETUC on 6 and 7 October 1988, Supplement to the Activity Report 1988-1990, 6th Statutory Congress, Luxembourg, 13-17 May 1991, p. 57.
13. 'The Community Charter of the Fundamental Social Rights', Resolution adopted by the Executive Committee of the ETUC on 1 and 2 December 1988, Supplement to the Activity Report 1988-1990, 6th Statutory Congress, Luxembourg, 13-17 May 1991, p. 59.
14. *Ibid.*

15. Commission of the European Communities (1989) Communication from the Commission concerning its Action Programme relating to the implementation of the Community Charter of Basic Social Rights for Workers, COM (89)568 final, 29 November 1989.
16. Interview with Jean Lapeyre, conducted by Christophe Degryse on 13 June 2013.
17. Gobin C. (1997) *op. cit.*, p. 98-99.
18. Debunne G. (1987) *Les syndicats et l'Europe*, Bruxelles, Labor, p. 198.
19. ETUC, Activity Report 1988-1990.
20. Dufresne A. (2010) *Le salaire, un enjeu pour l'euro-syndicalisme. Histoire de la coordination des négociations collectives nationales*, Nancy, Presses universitaires de Nancy, p. 25.
21. Dølvik (1999) *op. cit.*
22. Van Apeldoorn (2000) *op. cit.*
23. <http://www.ert.eu>.
24. Delors J. (1989) *Rapport sur l'Union économique et monétaire dans la Communauté européenne*, Luxembourg, Office des publications officielles des Communautés européennes, p. 4.  
For a historical analysis, see Maes Y. (2007) *La Commission européenne, le SME et la relance du processus d'UEM dans les années quatre-vingt*, in Bussière E., Dumoulin M. and Schirmann S. (eds.) *Milieus économiques et intégration européen au XX<sup>e</sup> siècle : la relance des années quatre-vingt (1979-1992)*, Paris, Comité pour l'Histoire économique et financière de la France, p. 88-106.
25. From this point of view, the Maastricht Treaty was far more 'liberal' (more '*laissez-faire*') than the 1970 Werner Plan, which had envisaged a marked centralisation of the budgetary authorities in the form of a modified Council of Economic and Finance Ministers.  
See on this subject Thygesen N. (1998) *Pacte de stabilité, soutenabilité de la dette et euro*, in Pochet P. and Vanhercke B. (eds.) *Les enjeux sociaux de l'Union économique et monétaire*, Bruxelles, P.I.E.-Peter Lang, p. 24.
26. Cited in the TUC (1990) *Managing the economy: towards 2000*, London, Trades Union Congress, p. 7.
27. ETUC, 'Taxation in the European Union', Resolution of the Executive Committee of 10 and 11 October 1996.
28. The EU Economic and Finance Ministers had decided in Verona on 13 April 1996 to appoint personal representatives to form a high-level group on taxation policy in the EU.
29. Freyssinet J. (2003) *Pactes sociaux : le retour ou l'enterrement ?*, *Alternatives Économiques*, 213.
30. Fajertag G. and Pochet P. (2000) *Social Pacts in Europe: new dynamics*, Brussels, European Trade Union Institute.
31. Amsterdam Treaty, Article 109o, 1997.
32. Conclusions of the Lisbon European Council of March 2000, paragraph 5.
33. ETUC, 'Lisbon Summit: a new opportunity for a strategy for full employment', Resolution of 22 March 2000.
34. ETUC and TUTB (2001) *Towards a European trade union perspective on sustainable development*, Brussels, Trade Union Technical Bureau for Health and Safety, p. 27.
35. ETUC, 'Putting Environmental Policy at the Heart of European Employment Policy', Resolution adopted by the Executive Committee on 13 and 14 June 2001.
36. 'ETUC Declaration on the proposed reform of EU policy on chemicals (REACH)', Resolution adopted by the Executive Committee of the ETUC on 17 and 18 March 2004.
37. Joël Decaillon, Remarks collected by Christophe Degryse on 6 September 2013.
38. *Idem*.
39. ETUC (2007) *Climate Change and employment. Impact on employment in the European Union-25 of climate change and CO2 emission reduction measures by 2030*, Brussels, ETUC.

40. See, in particular: 'Union proposals for a European policy on climate change', Resolution adopted by the Executive Committee of the ETUC on 17 and 18 March 2004; 'Tackling climate change: A social priority – Avenues for action', Resolution adopted by the Executive Committee of the ETUC on 18 and 19 October 2006; 'The ETUC's position on the climate change and energy package', Resolution adopted by the Executive Committee of the ETUC on 4 March 2008; and 'Climate change, the new industrial policies and the ways out of the crisis', Resolution adopted by the Executive Committee of the ETUC on 20 and 21 October 2009.
41. Joël Decaillon, *idem*.
42. 'Facing the challenge. The Lisbon Strategy for growth and employment', Report by the High Level Group chaired by Wim Kok, November 2004.
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50. Dufresne A. (2010) *op. cit.*
51. Gabaglio E. (1997) What's EMU for?, in Gabaglio E. and Hoffmann R. (eds.) European Trade Union Yearbook 2002, Brussels, European Trade Union Institute, p. 14.
52. *Ibid.*, p. 15.
53. ETUC, Activity Report 1995-1998, p. 5.
54. Boyer R. (1999) Le gouvernement économique de la zone euro, Rapport du Commissariat général du Plan, Paris, La Documentation Française.
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56. Cologne European Council, Presidency conclusions, Annex I: 'Closer cooperation to boost employment and economic reforms in Europe', resolution of the European Council on the European Employment Pact, 3 to 4 June 1999.
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58. Frits Bolkestein, Member of the European Commission in charge of the Internal Market and Taxation: 'European economic and financial integration: State of play before Barcelona', address to the International Centre for Monetary and Banking Studies, Geneva, 7 March 2002.
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63. See the Austerity Map created by the ETUC, <http://www.etuc.org/r/1611>.
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66. Council of the European Union (2010) Council Regulation (EU) No 407/2010 of 11 May 2010 establishing a European financial stabilisation mechanism, OJ L 118, 12 May 2010.
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## Chapter 6

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3. Speech at the Forum on workers' rights and economic freedoms, hosted by the Commission on 9 October 2008, <http://www.etuc.org/a/5418>.
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5. Court of Justice of the European Union (1981) Judgment of the Court of 17 December 1981. Criminal proceedings against Alfred John Webb. Freedom to provide services – Provision of manpower. Case 279/80.
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7. Court of Justice of the European Union (1990) Judgment of the Court (Sixth Chamber) of 27 March 1990. Rush Portuguesa Lda v Office national d'immigration. Act of Accession - Transitional period - Freedom of movement for workers - Freedom to provide services. Case C-113/89.
8. *Ibid.*
9. *Ibid.*
10. In 1986, the hourly wage earned by a factory worker in Spain, expressed in francs, was 64% of that earned by his French counterpart. In Portugal, the figure was 21%, and in Greece 46%. In spite of a lesser gap to begin with, it was in Spain that the growth rate was most sustained: over the period 1975-1998, the hourly wage, expressed in francs, rose, on average, by 10.8% a year. Marcus V. (2006) Les salaires et le coût du travail dans l'Union européenne et les pays candidats, Données sociales - La société française, INSEE, p.429.
11. Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services, OJ L 18, 21 January 1997.

12. Presidency Conclusions, Lisbon European Council, 24 March 2000, paragraph 17. The need to take action in this regard was also underlined at the European Summits held in Stockholm and Barcelona in 2001 and 2002 respectively.
13. European Commission (2000) Communication from the Commission to the Council and the European Parliament - An Internal Market Strategy for Services, COM(2000) 888 final, 29 December 2000.
14. Derruine O. (2007) De la proposition Bolkestein à la directive services, *Courrier hebdomadaire 1962-1963*, Bruxelles, CRISP.
15. Speech by the General Secretary of the ETUC, John Monks, in Brussels on 19 March 2005.
16. *Ibid.*
17. ETUC, Minutes of the meeting of the Executive Committee of 14 and 15 March 2006.
18. ETUC, Minutes of the meeting of the Executive Committee of 14 and 15 March 2006 and of the meeting of the Steering Committee of 8 March 2006.
19. ETUC, Minutes of the meeting of the Executive Committee of 12 and 13 December 2006.
20. ETUC (2007) ECJ judgment on Viking case recognises fundamental right to collective action as integral part of EU Community law, Press release, 11 December 2007, <http://www.etuc.org/a/4376>.
21. ETUC, Minutes of the meeting of the Executive Committee of 19 and 20 October 2005.
22. ETUC, 'Rüffert case', <http://www.etuc.org/r/1040>.
23. ETUC, 'The ETUC demand for a Social Progress Protocol', <http://www.etuc.org/a/7774>.
24. From 1999 to 2004 he would serve as European Commissioner for Competition.
25. Council of the European Union (1998) Council Regulation (EC) No 2679/98 of 7 December 1998 on the functioning of the internal market in relation to the free movement of goods among the Member States, OJ L 337, 12 December 1998.
26. ETUC, Minutes of the meeting of the Steering Committee of 19 November 2009.
27. 'A new strategy for the single market at the service of Europe's economy and society', Report to the President of the European Commission, José Manuel Barroso, by Mario Monti, 9 May 2010.
28. ETUC (2010) Towards a Single Market Act – ETUC proposals, Resolution adopted at the Executive Committee meeting of 1 to 2 December 2010.
29. European Commission (2010) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Towards a Single Market Act – For a highly competitive social market economy – 50 proposals for improving our work, business and exchanges with one another, COM(2010) 608 final, 27 October 2010.
30. ETUC (2010) *op. cit.*
31. European Commission (2012) Proposal for a directive of the European Parliament and of the Council on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services, COM(2012) 131 final, 21 March 2012. Proposal for a Council regulation on the exercise of the right to take collective action within the context of the freedom of establishment and the freedom to provide services, COM(2012) 130 final, 21 March 2012.
32. Bruun N. and Bücker A. (2012) Critical assessment of the proposed Monti II regulation – more courage and strength needed to remedy the social imbalances, Policy Brief 4/2012, Brussels, ETUI.
33. These are companies that attempt to circumvent the rules by establishing a fictitious registered office in countries in which employee protection and tax arrangements are most advantageous to them.
34. In European jargon, public services are divided into two categories: non-economic services of general interest (NESGI) and services of general economic interest (SGEI). SGEIs are governed by

the European Treaties, but derogations are possible if there is a specific public service obligation by virtue of a general interest criterion.

35. For further details, see: 'ETUC Resolution Towards a new impetus for public services', <http://www.etuc.org/a/7368>.
36. '... and given the place occupied by services of general economic interest in the shared values of the Union as well as their role in promoting social and territorial cohesion, the Union and the Member States, each within their respective powers and within the scope of application of the Treaties, shall take care that such services operate on the basis of principles and conditions, particularly economic and financial conditions, which enable them to fulfil their missions. The European Parliament and the Council, acting by means of regulations in accordance with the ordinary legislative procedure, shall establish these principles and set these conditions without prejudice to the competence of Member States, in compliance with the Treaties, to provide, to commission and to fund such services'.

## Chapter 7

1. Gérard Fonteneau, who started out as an activist in the CFDT's Clothing, Leather and Textile Federation (France), later held confederal posts within the CFDT, followed by the World Confederation of Labour, the International Labour Office and the ETUC, where he worked as an adviser.
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3. On this subject and on the position of the main national trade union organisations on industrial democracy, see: Fetzer T. (2010) Industrial democracy in the European Community: trade unions as a defensive transnational community (1968-1988), in Djelic M.-L. and Quack S. (eds.) Transnational communities: shaping global economic governance, Cambridge, Cambridge University Press, 282-304.
4. ETUC, *op. cit.*
5. ETUC, Resolution on multinational companies, Supplement to the Activity Report 1973-1975.
6. Pigenet M., Pasture P. and Robert J.-L. (2005) L'apogée des syndicalismes en Europe occidentale: 1960-1985, Paris, Publications de la Sorbonne.
7. AETUC, IISH, 736, ETUC, Copenhagen Congress, 23-25 May 1974, Action Programme.
8. Barisi G. (1999) L'évolution des comités d'entreprise européens, enquête auprès des groupes français, Travail et Emploi, 79,81-87, p. 82.
9. Council of the European Communities (1975) Council Directive 75/129/EEC of 17 February 1975 on the approximation of the laws of the Member States relating to collective redundancies, OJ L 48, 22 February 1975.
10. Degimbe J. (1999) La politique sociale européenne, Bruxelles, Institut syndical européen, p. 114.
11. Vandamme F. (1984) La proposition de directive du 24 octobre 1980 de la Commission des Communautés Européennes sur l'information et la consultation des travailleurs des entreprises à structure complexe, in Vandamme F. (ed.) L'information et la consultation des travailleurs dans les entreprises multinationales, Genève, IRM, p. 167 et seq.
12. AETUC, IISH, 2200, Meeting of the Executive Committee of 8 December 1980.
13. Cited in Walker R.P. (1983) The Vredeling Proposal: cooperation versus confrontation in European Labor relations, International Tax & Business Lawyer, 1 (1), 177-196, p. 11, <http://scholarship.law.berkeley.edu/bjil/vol1/iss1/6>
14. The European Commissioner Ivor Richard, who succeeded Vredeling, would defend the directive to the United States in March 1982. This was in the midst of a campaign against the proposal conducted by employers. Statement by EEC Commissioner Ivor Richard to the US Chamber of

- Commerce in Washington D.C. (on 31 March 1982), reprinted in European Community News, No 7, 1982. See <http://aei.pitt.edu/12196/1/12196.pdf>.
15. The Director-General for Employment and Social Affairs would have to spend long hours convincing US business figures that their fears were unfounded. Interview with Jean Degimbe, Honorary Director-General, in Brussels on 13 June 2010.
  16. Petrini F. (publication scheduled for 2013) Taming the beast: the European Trade Union Confederation and the battle to regulate multinationals' activities, in Kaiser W. and Meyer J.-H. (eds.) Non-state actors in European integration 1958-1992: from polity-building to transnational politics and policy-making?, Basingstoke, Palgrave.
  17. AETUC, IISH, 2005, Position adopted by the ETUC on the amended Commission proposal, decision of the Executive Committee, 14 October 1983. Cited by Petrini F. (2011) Who'll stop the runaway shop? The battle to regulate Multinationals' activities inside the EEC at the dawn of globalization, draft version, EUSA Twelfth Biennial International Conference, Boston, 3-5 March 2011, Panel 11F: Interest Groups and European Integration until the SEA.
  18. AETUC, IISH, 2002, Agenor, 'Hush! Don't tell the Workers', 1983.
  19. European Commission (1989) European Company: a statute for companies in line with the 1992 dimension, Press release, 12 July 1989, [http://europa.eu/rapid/press-release\\_P-89-39\\_en.htm](http://europa.eu/rapid/press-release_P-89-39_en.htm).
  20. *Ibid.*
  21. Council of the European Union (1994) Council Directive 94/45/EC of 22 September 1994 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees, OJ L 254, 30 September 1994.
  22. UNICE (1993) Press release, 20 September 1993.
  23. Remarks collected by Christophe Degryse on 16 September 2013.
  24. Council of the European Union (1994) *op. cit.*
  25. <http://www.worker-participation.eu/Conseils-d-entreprise-europeen/Facts-Figures>.
  26. Van den Heule R. (2009) Fermeture Renault (Renault Industrie Belgique) : témoignage d'un conciliateur social, Bruxelles, Service public fédéral Emploi, Travail et Concertation sociale.
  27. Confédération Française de l'Encadrement-Confédération Générale des Cadres [French Confederation of Management – General Confederation of Executives].
  28. Van den Heulen (2009) *op. cit.*
  29. It was also interesting to note that the FGTB had invited the CGT, which was not yet a member of the ETUC, to the great annoyance of Force Ouvrière. This was the opportunity for the CGT to demonstrate that it would be a shame for the European trade union movement to deprive itself of the French union's capacity for mobilisation. It prompted the CGT to 'take the leap'. For more information on this subject, read de Comarmond L. (2013) Les vingt ans qui ont changé la CGT, Paris, Denoël, p. 126 et seq.
  30. European Parliament and Council of the European Union (2002) Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community – Joint declaration of the European Parliament, the Council and the Commission on employee representation, OJ L 80, 23 March 2002.
  31. ETUC, 'Re-examining the European Works Council Directive', Resolution adopted by the Executive Committee on 2 and 3 December 1999.
  32. See Jagodzinski R. (2009) Review, revision or recast? The quest for an amended EWC, in Degryse C. (ed.) Social developments in the European Union 2008, Brussels, ETUI/OSE, p. 113.
  33. ETUC (2008) The ETUC welcomes the proposals of the Commission on the revision of the EWC Directive, Press release, 20 February 2008, <http://www.etuc.org/a/4604>.

34. ETUC (2008) EWC directive: Social dialogue talks 'not practical' - the Commission should take action, Press release, 11 April 2008, <http://www.etuc.org/a/4867>.
35. Recast Directive 2009/38/EC. Member States had until 5 June 2011 to transpose the provisions into national law.
36. For an in-depth analysis of the process leading up to this revision, see Jagodzinski R. (2009) *op. cit.*, p. 114-135.
37. Frison-Roche M.-A. (Professor of Law at Paris Dauphine University) (2000) Les Quinze créent la société européenne, *Le Monde*, 12 December 2000.
38. *Ibid.*
39. Council of the European Union (2001) Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (SE); and Council Directive 2001/86/EC of 8 October 2001 supplementing the Statute for a European company with regard to the involvement of employees, OJ L 294, 10 November 2001.
40. This compromise envisaged four ways in which an SE could be set up: through the merger of existing public limited-liability companies; the formation of a holding SE with subsidiary companies in different Member States; the formation of a joint subsidiary company by companies based in different Member States; or the transformation of a public limited-liability company formed under the law of a Member State that has a subsidiary or establishment in a Member State other than the one in which its headquarters were located.
41. <http://www.worker-participation.eu/European-Company-SE/Facts-Figures>.
42. ETUC (2006) Press release, 25 September 2006.
43. ETUC, Activity Report 2003-2007, p. 85.
44. European Commission (2013) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Regulatory Fitness and Performance (REFIT): results and next steps, COM(2013) 685 final, 2 October 2013.

## Chapter 8

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2. ETUC, Activity Report 1979-1981, Fourth Statutory Congress, The Hague, 19-23 April 1982, Brussels, p. 118.
3. *Ibid.*
4. Foreign Report, 13 April 1973, p. 6.
5. Trade Union Information, N° 5, May 1975, p. 17. (Fortnightly trade union newsletter produced by the Directorate-General for Information of the European Commission).
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7. Remarks collected by C. Degryse, 22 May 2013.
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9. ETUC, 'Developments in Central and Eastern Europe – Proposed future actions', item 7 on the agenda of the meeting of the Executive Committee of 3 and 4 October 1991.
10. Seideneck P. (1998) L'élargissement de l'Union européenne : accident de l'histoire ou démarche volontaire pour une Europe réunifiée et renouvelée, in Frybes M. (ed.) *Une nouvelle Europe centrale*, Paris, La Découverte, 293-313.

11. Interview with Peter Seideneck conducted by Pierre Tilly, Brussels, 2 December 2012.
12. ETUC, *op. cit.*
13. Interview with Emilio Gabaglio, Brussels, 30 September 2012.
14. ETUC, *op. cit.*, p. 4.
15. *Idem.*
16. ETUC, 'European Trade Union Forum – 14 and 15 January 1991: Report and follow-up', item 7 on the agenda of the meeting of the Executive Committee of 14 and 15 February 1991.
17. *Idem*, p. 2.
18. Interview with Peter Seideneck, Brussels, 2 December 2012.
19. Following the dissolution of Czechoslovakia in 1993, observer status was transferred to the Czech and Slovak organisations that succeeded SKOS, namely MKOS and KOZ-SR.
20. Interview with Emilio Gabaglio, Brussels, 30 September 2012.
21. In 1993, in addition to the confederations that had been granted observer status, it consisted of 18 trade union organisations from Albania, Bosnia and Herzegovina, Croatia, Estonia, Hungary, Latvia, Lithuania, Macedonia, Montenegro, Romania, Serbia and Slovenia (source: ETUC, Activity Report 1991-1994).
22. The Association Agreements between the European Community and Poland, Hungary and Czechoslovakia, later published as ETUI Info 34.
23. Declaration on 'the social dimension of the association agreements between the EC and certain Central and Eastern European countries', adopted by the Executive Committee of the ETUC at its meeting in Brussels on 4 and 5 March 1993.
24. Declaration on 'the social dimension of the association agreements between the EC and certain Central and Eastern European countries', adopted by the Executive Committee of the ETUC at its meeting in Brussels on 4 and 5 March 1993.
25. *Ibid.*
26. ETUC, Report on the meeting of the Executive Committee of 9 December 1993.
27. ETUC, Activity Report 1991-1994.
28. Interview with Peter Seideneck, Brussels, 7 January 2013.
29. Seideneck P. (1995) Rapprochement based on common interests between the ETUC and the trade unions in Central and Eastern Europe, *Transfer: European Review of Labour and Research*, 1 (3), 378-386, p. 378.
30. Seideneck P. (1995) *op. cit.*, p. 386.
31. European Commission (1998) Report 'Stratégie du secteur social', Brussels, limited-circulation expert report funded by Commission. This report and the debates it provoked are analysed in greater detail in Robert C. (2000) Ressources juridiques et stratégies politiques. Analyse d'une controverse à la Commission européenne sur la dimension sociale de l'élargissement de l'Union, in *Sociologie du Travail*, 42 (2), 203-224.
32. Resolution of the Executive Committee of June 1997.
33. Resolution adopted by the Executive Committee of the ETUC at its meeting in Brussels on 15 and 16 December 1998, 'European Union Enlargement: Involving social partners – protecting the welfare state'.
34. ETUC, Activity Report 1995-1998, p. 41.
35. ETUC, Prague Congress, 26 to 29 May 2003, Speech by Emilio Gabaglio, p. 3.
36. Dufresne A. (2004) La Confédération européenne des syndicats en congrès, in Bérout S. and Mouriaux R. (eds.) *L'année sociale 2003-2004*, Paris, Syllepse, 149-166, p.149.
37. Nordens Fackliga Samorganisation (Council of Nordic Trade Unions).  
See: <http://www.nfs.net/languages/english/about-nfs-9063699>
38. <http://www.bastun.nu>
39. ETUC, Activity Report 1999-2002, p. 64.



40. *Idem.*
41. There had certainly been anger among farmers in the south-west of France at the prospect of falling agricultural prices as a result of the enlargement of the common market to Spain and Portugal (<http://fresques.ina.fr/jalons/fiche-media/InaEdu01060/coleres-paysannes-dans-le-sud-ouest-de-la-france-contre-la-baisse-des-prix-agricoles.html>). However, it should be stressed, in this regard, that in the case of the 1981 and 1986 rounds of enlargement, the European institutions had provided considerable funding under the Integrated Mediterranean Programmes, aimed at promoting and accelerating the development of the poorest regions of these countries, which was intended to alleviate fears of an influx of impoverished workers. It should also be emphasised that the first round of enlargement, in 1973, and the fourth, in 1995, did not involve any exemptions in respect of the free movement of workers. In this instance, membership was essentially being extended to rich countries, which explains why, in these specific cases, there were no fears of the mass arrival of poor workers.
42. ETUC, *op. cit.*
43. The transitional arrangements in place did not apply to Cyprus or Malta (Malta could, however, invoke the safeguard clause) and concerned only workers. Indeed, nationals of the new Member States enjoyed full freedom of movement from the moment of accession provided that they were not pursuing a salaried activity (for instance, if they were students, pensioners or service providers). Free movement had been extended to countries other than those within the European Union by means of a series of association agreements.
44. A specific clause was inserted for Germany and Austria relating to a very limited number of sectors, such as construction and industrial cleaning. The provision of services by a company located in a new Member State that required the temporary movement of workers within Germany or Austria could be subject to restrictions if the service sectors in question were seriously affected.
45. ETUC, Activity Report 2003-2007.
46. Galgóczi B. (2009) Central Eastern Europe five years after enlargement: in full grip of the crisis, SEER - South-East Europe Review for Labour and Social Affairs, 12 (1), 21-31, p. 21.
47. 'The Union and the Member States [...] shall have as their objectives the promotion of employment, improved living and working conditions, so as to make possible their harmonisation while the improvement is being maintained, proper social protection, dialogue between management and labour, the development of human resources with a view to lasting high employment and the combating of exclusion' (Article 151 of the Treaty on the Functioning of the EU).
48. Galgóczi B. (2009) *op. cit.*, p. 30.
49. ETUC, Press release 32/91.
50. Interview with Emilio Gabaglio, conducted by Pierre Tilly, 30 September 2012.
51. Conclusions of the informal meeting on Yugoslavia, adopted by the ETUC's Executive Committee on 5 and 6 December 1991 in Amsterdam.
52. ETUC, Report on the former Yugoslavia, item 8 on the agenda of the meeting of the Executive Committee, Brussels, 8 and 9 October 1992.
53. *Ibid.*
54. Executive Committee of the ETUC, Brussels, 10 and 11 June 1993. Declaration on Bosnia and Herzegovina.
55. (Unnamed) sources close to the newspaper *Oslobodenje*, in Trade Union's shame in the Serb entity – Pale made Gabaillo Angry [sic], an article published on 27 October 1996.
56. The Friedrich Ebert Foundation (Friedrich-Ebert-Stiftung – FES) is a foundation that subscribes to the ideas and values of social democracy and the workers' movement; it is associated with the SPD, the Social Democratic Party of Germany.
57. ETUC, Activity Report 1995-1998, p. 72.
58. ETUC, Report on the meeting of the Executive Committee of 8 March 1996, Brussels.

59. ETUC, Report on the meeting of the Executive Committee of 8 July 2009, Brussels.
60. ETUC, Resolution of the Executive Committee of 12 and 13 December 1996, 'The situation in Serbia'.
61. ETUC, Activity Report 1995-1998, p. 73.
62. Executive Committee, 8-9 October 1998, Resolution on Kosovo.
63. Agence Europe Daily Bulletin N° 10921, 14 September 2013.
64. ETUC, Resolution adopted by the ETUC Congress, The Hague, 19-23 April 1982.
65. ETUC, Activity Report 1982-1984, p. 153.
66. Declaration by the ETUC with a view to the meeting between Members of the Turkish Parliament and of the European Parliament (17-18 January 1989).

## Chapter 9

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2. Seideneck P. (2002) Beyond Europe: cooperation between the European Trade Union Confederation and trade unions in the Mediterranean region. Is the ETUC a European trade union fortress?, in Gabaglio E. and Hoffmann R. (eds.) *European Trade Union Yearbook 2001*, Brussels, ETUI, p. 417.
3. Gumbrell-McCormick R. (2000) Globalization and the dilemma of international trade unionism, *Transfer. European Review of Labour and Research*, 6 (1), 29-42.
4. 'ETUC Objectives 1976-1979', approved by the 2nd Statutory Congress, London, 22-24 April 1976.
5. *Ibid.*
6. Palayret J.-M. (2006) Le Comité économique et social et les relations avec les pays et territoires associés (1958-1985), in Bitsch M.-T. and Bossuat G. (eds.) *L'Europe et l'Afrique. De l'idée d'Eurafrrique à la Convention de Lomé I*, Bruxelles, Nomos/Bruylant, p. 380.
7. Interview with F. Baduel Glorioso, published in *Le Courrier*, No 54, March-April 1979; General resolution adopted by the 3<sup>rd</sup> ETUC Congress, Munich, 18 May 1979. Cited in Palayret J.-M. (2006) *op.cit.*, p. 382.
8. 'ETUC Objectives 1976-1979', *op. cit.*
9. *Ibid.* as well as the conclusions of the meeting of the international trade union organisations (the WCL and ICFTU) and the regional organisations from Europe (the ETUC), Africa (OATUU) and the Caribbean, held in Brussels on 15 and 16 December 1976.
10. West Africa, Central Africa, Eastern Africa, Southern Africa and the Caribbean.
11. The ETUC repeatedly voiced its concerns to the EU with regard to human rights and trade union rights in certain ACP countries (Fiji, Guinea, Mauritania, Swaziland and Zimbabwe).
12. Council of the European Union (2007) *The Africa-EU Strategic Partnership: a joint Africa-EU strategy*, Press release 16344/07, 9 december 2007, <http://register.consilium.europa.eu/pdf/en/07/st16/st16344.en07.pdf>.
13. Rehfeldt U. (2007) *Création d'une nouvelle confédération syndicale mondiale*, *Chroniques de l'IRES*, 104, 3-10.
14. Gabaglio E. (1997) Europe: an answer to the challenge of globalisation, in Gabaglio E. and Hoffmann R. (eds.) *European Trade Union Yearbook 1996*, Brussels, ETUI, 31-47.
15. 'Globalisation: vers un syndicalisme mondial', interview with Emilio Gabaglio by C. Degryse, in *Démocratie*, Brussels, 1 December 2004, <http://www.revue-democratie.be/index.php?p=art&id=345>.
16. *Ibid.*

17. The feeling was that there could be no question of increasing members' contributions on account of extra costs arising beyond Europe's borders.
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20. Declaration on South Africa, February 1978.
21. Resolution on Tunisia, January 1979.
22. Resolution on Afghanistan, 14-15 February 1980.
23. Resolution on Turkey, 19-23 April 1982.
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32. <http://www.etuc.org/a/1740>.
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# List of acronyms

- AC:** Akademikernes Centralorganisation (Danish Confederation of Professional Associations)
- ACP:** Africa, Caribbean, Pacific
- ADEDY:** Anotati Diikisis Enoseon Dimosion Ypallilon (Greek Civil Servants' Confederation)
- AF:** Akademikernes Fellorganisasjon (Confederation of Academic and Professional Unions – Norway)
- AFL:** American Federation of Labor
- AFL-CIO:** American Federation of Labour – Congress of Industrial Organisations
- AKAVA:** Suomen Akateemisesti Koulutettujen Ammatillinen Keskusjärjestö (Confederation of Unions for Academic Professionals in Finland)
- ALDE:** Alliance of Liberals and Democrats for Europe
- ASEAN:** Association of South-East Asia Nations
- ASEM:** Asia–Europe Meeting
- ASI:** Althydusamband Islands (Icelandic Confederation of Labour)
- ASzOK:** Autonóm Szakszervezetek Országos Közföderációja (National Confederation of Autonomous Trade Unions – Hungary)
- ASzSz:** Autonóm Szakszervezetek Szövetsége (Association of Autonomous Trade Union – Hungary)
- BASTUN:** Baltic Sea Trade Union Network
- BNS:** Blocul National Sindical (National Trade Union Bloc – Romania)
- BSPK:** Bashkimi i Sindikatave Të Pavarura Të Kosovës (Union of Independent Trade Unions of Kosovo)
- BSRB:** Bandalag Starfsmanna Ríkis of Baeja (Confederation of State and Municipal Employees of Iceland)
- Cartel-Alfa:** Confederatia Nationala Sindicala "Cartel ALFA" (National Trade Union Confederation "Cartel ALFA" – Romania)
- CATUS:** Confederation of Autonomous Trade Unions of Serbia
- CATUY:** Confederation of Autonomous Trade Unions of Yugoslavia
- CBI:** Confederation of British Industry
- CCOO:** Confederación Sindical de Comisiones Obreras (Trade Union Confederation of Workers' Commissions – Spain)
- CDSL:** Confederazione Democratica Lavoratori Sammarinese (Democratic Confederation of San Marino Workers)
- CDSR:** Confederatia Sindicatelor Democratice din România (Democratic Trade Union Confederation of Romania)
- CEDEFOP:** European Centre for the Development of Vocational Training
- CEEC:** Central and Eastern European Countries
- CEEP:** European Centre of Employers and Enterprises providing Public services
- CELAC:** Comunidad de Estados Latinoamericanos y Caribeños (Community of Latin America and Caribbean States)
- CEO:** Chief Executive Officer
- CFDT:** Confédération française démocratique du travail (French Democratic Confederation of Labour)
- CFE-CGC:** Confédération française de l'encadrement-Confédération générale des cadres (French Confederation of Management – General Confederation of Executives)
- CFTC:** Confédération française des travailleurs chrétiens (French Confederation of Christian Workers)
- CGIL:** Confederazione Generale Italiana del Lavoro (Italian General Confederation of Labour)
- CGSLB:** Centrale générale des syndicats libéraux de Belgique (General Confederation of Liberal Trade Unions of Belgium)
- CGT:** Confédération générale du travail (General Confederation of Labour – France)
- CGT-FO:** Confédération générale du travail-Force ouvrière (General Confederation of Labour-Workers' Strength – France)
- CGT-L:** Confédération générale du travail-Luxembourg (General Confederation of Labour-Luxembourg)
- CGTP-IN:** Confederação Geral dos Trabalhadores Portugueses – Intersindical Nacional (General Confederation of Portuguese Workers)
- CIO:** Congress of Industrial Organisations (USA)
- CISL:** Confederazione Italiana Sindacati dei Lavoratori (Italian Confederation of Workers' Trade Unions)

**CISL-CECA:** Inter-Union Contact Office of Miners' and Metalworkers' Unions

**CITUB:** Confederation of Independent Trade Unions of Bulgaria

**CJEC:** Court of Justice of the European Communities

**CLAT:** Central Latinoamericana de Trabajadores (Latin American Central of Workers)

**CMKOS:** Ceskomoravská Konfederace Odborových Svazů (Czech-Moravian Confederation of Trade Unions)

**CMTU:** Confederation of Malta Trade Unions

**CNG:** Christlich Nationale Gewerkschaftsbund der Schweiz (Swiss Confederation of Christian Trade Unions)

**CNSLR-Fratia:** Confederatia Nationala a Sindicatelor Libere din Romania – Fratia (Fratia National Confederation of Free Trade Unions of Romania)

**CNV:** Christelijk Nationaal Vakverbond (National Federation of Christian Trade Unions – Netherlands)

**Concord:** European NGO Confederation for Relief and Development

**COREPER:** Permanent Representatives Committee

**CSC:** Confédération des syndicats chrétiens (Confederation of Christian Trade Unions – Belgium)

**CSdL:** Confederazione Sammarinese del Lavoro (San Marino Confederation of Labour)

**CSESP:** European Trade Union Committee for Public Services

**CSKOS:** Československá Konfederacia Odborových Svazů (Czech and Slovak Confederation of Trade Unions)

**CTUM:** Confederation of Trade Unions of Montenegro

**DAG:** Deutsche Angestellten-Gewerkschaft (German White-Collar Employees' Union)

**DEM:** Deutsche Mark (German Mark)

**DEOK:** Demokratiki Ergatiki Omospondia Kyprou (Democratic Labour Federation of Cyprus)

**DGB:** Deutscher Gewerkschaftsbund (German Confederation of Trade Unions)

**DISK:** Türkiye Devrimci İsci Senikaları Konfederasyonu (Confederation of Progressive Trade Unions of Turkey)

**EAEA:** European Arts and Entertainment Alliance

**EAKL:** Eesti Ametiühingute Keskliit (Confederation of Estonian Trade Unions)

**EAPN:** European Anti Poverty Network

**ECB:** European Central Bank

**ECF-IUF:** European Federation of Food, Catering and Allied Workers' Unions within the IUF

**ECFTU:** European Confederation of Free Trade Unions

**ECJ:** European Court of Justice

**ECOFIN:** Economic and Financial Affairs Council (Council of Economics and Finance Ministers)

**ECSC:** European Coal and Steel Community

**EEA:** European Economic Area

**EEAS:** European External Action Service

**EEC:** European Economic Community

**EES:** European Employment Strategy

**EESC:** European Economic and Social Committee

**EFA:** European Federation of Agricultural Workers' Unions

**EFBWW:** European Federation of Building and Wood Workers

**EFCGU:** European Federation of Chemical and General Workers' Unions

**EFFAT:** European Federation of Food, Agriculture and Tourism Trade Unions

**EFJ:** European Federation of Journalists

**EFTA:** European Free Trade Association

**EFTA-TUC:** Trade Union Committee for the European Free Trade Area

**EGAKU:** Europäischer Gewerkschaftsausschuss für Kunst und Unterhaltung (European Committee of Trade Unions in Entertainment and the Arts)

**EGF:** European Graphical Federation

**ELCTWU:** European Liaison Committee of Transport Workers' Unions

**EMCEF:** European Mine, Chemical and Energy Workers' Federation

**EMF:** European Metalworkers' Federation

**EMS:** European Monetary System

**EMU:** Economic and Monetary Union

**EO-WCL:** European Organisation of the World Confederation of Labour

**EPA:** Economic Partnership Agreement

**EPP:** European People's Party

**EPSU:** European Federation of Public Service Unions

**ERDF:** European Regional Development Fund

**ERO-ICFTU:** European Regional Organisation of the International Confederation of Free Trade Unions

**ERT:** European Round Table of Industrialists



- ESF:** European Social Fund
- ESM:** European Stability Mechanism
- ÉSZT:** Értelmiségi Szakszervezeti Tömörülés (Confederation of Unions of Professionals – Hungary)
- ETF:** European Transport Workers' Federation
- ETUC:** European Trade Union Confederation
- ETUCE:** European Trade Union Committee for Education
- ETUCO:** European Trade Union College
- ETUF:** European Trade Union Federations
- ETUF-TCL:** European Trade Union Federation of Textiles, Clothing, Leather
- ETUI:** European Trade Union Institute
- ETUS:** European Trade Union Secretariat
- EU:** European Union
- EURATOM:** European Atomic Energy Community
- EURO COP:** European Confederation of Police
- EURO-FIET:** European Regional Organization of the International Federation of Commercial, Clerical, Professional, and Technical Employees
- EUROFOUND:** European Foundation for the Improvement of Living and Working Conditions
- EURO-MEI:** European Federation of Media and Entertainment International
- FERPA:** Fédération européenne des retraités et des personnes âgées (European Federation of Retired and Older Persons)
- FES:** Friedrich-Ebert-Stiftung
- FGTB:** Fédération générale du travail de Belgique (General Federation of Belgian Labour)
- FIOM-CGIL:** Federazione Impiegati Operai Metallurgici (Metalworkers' Federation – Italy)
- FNPR:** Federatsiya Nezavisimyykh Profsoyuzov Rossii (Federation of Independent Trade Unions of Russia)
- FNV:** Federatie Nederlandse Vakbeweging (Netherlands Trade Union Confederation)
- FO:** Force Ouvrière (Workers' Strength – France)
- For.U.M:** Forum Unions Maltin (Confederation of Maltese Trade Unions)
- FSAP:** Financial Services Action Plan
- FSU:** Finnish Seamen's Union
- FTF:** Funktionærernes og Tjenestemaendenes Faellesråd (Salaried Employees' and Civil Servants' Confederation - Denmark)
- FYROM:** former Yugoslav Republic of Macedonia
- FZZ:** Forum Związków Zawodowych (Trade Unions Forum – Poland)
- GATT:** General Agreement on Tariffs and Trade
- GDP:** Gross Domestic Product
- GNP:** Gross National Product
- GSEE:** Geniki Synomospondia Ergaton Ellados (General Confederation of Greek Labour)
- GSP:** Generalised Scheme of Preferences
- GWU:** General Workers' Union (Malta)
- HAK-Is:** Türkiye Hak İşçi Sendikaları Konfederasyonu (Confederation of Turkish Real Trade Unions)
- ICATU:** International Confederation of Arab Trade Unions
- ICCTU:** International Confederation of Christian Trade Unions
- ICFTU:** International Confederation of Free Trade Unions
- ICTU:** Irish Congress of Trade Unions
- IFTU:** International Federation of Trade Unions
- IG Metall:** Industriegewerkschaft Metall (Industrial Union of Metalworkers - Germany)
- IGC:** Intergovernmental Conference
- ILO:** International Labour Organisation
- IMF:** International Miners' Federation
- IMF:** International Metalworkers' Federation
- IMF:** International Monetary Fund
- IMP:** Integrated Mediterranean Programme
- INDUSTRIALL:** Industry All (Metal, Mining, Chemicals, Energy, Textiles, Clothing and Leather (formerly the EMF, EMCEF and ETUF: TCL))
- IPIT:** Postal, Telegraph and Telephone International
- IRTUC:** Interregional Trade Union Councils
- ITF:** International Transport Workers' Federation
- ITGLWF:** International Textile, Garment and Leather Workers' Federation
- ITS:** International Trade Secretariats
- ITUC:** International Trade Union Confederation
- IUF:** International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers Unions
- IWA:** International Workingmen's Association
- KESK:** Kamu Emekçileri Sendikaları Konfederasyonu (Confederation of Public Workers' Unions - Turkey)
- KFOR:** Kosovo Force
- KNSH:** Konfederacija Nezavisnih Sindikata Hrvatske (Confederation of Independent Trade Unions of Croatia)

- KNSS-Neodvisnost:** Konfederacija Novih Sindikatov Slovenije – Neodvisnost (Confederation of New Trade Unions of Slovenia – Independence)
- KOZ-SR:** Konfederácia Odborovych Zväzov Slovenskej Republiky (Confederation of Trade Unions of the Slovak Republic)
- LANV:** Liechtensteinischer ArbeitnehmerInnenverband (Liechtenstein Employees' Association)
- LBAS:** Latvijas Brīvo Arodbiedrību Savienība (Free Trade Union Confederation of Latvia)
- LCGB:** Lëtzebuenger Chrëschtliche Gewerkschaftsbond (Luxembourg Confederation of Christian Trade Unions)
- LDF:** Lietuvos Darbo Federacija (Lithuanian Federation of Labour)
- LIGA:** Liga Szakszervezetek (Democratic League of Independent Trade Unions – Hungary)
- LO Denmark/LO-D:** Landesorganisationen i Danmark (Danish Confederation of Trade Unions)
- LO Norway/LO-N:** Landsorganisasjonen i Norge (Norwegian Confederation of Trade Unions)
- LO Sweden/LO-S:** Landsorganisationen i Sverige (Swedish Confederation of Trade Unions)
- LPSK:** Lietuvos Profesiniu Sajungu Konfederacija (Lithuanian Trade Union Confederation)
- LPSS:** Lietuvos Profesine Sajunga "Solidarumas" (Lithuanian Trade Union – Solidarity)
- MEP:** Member of the European Parliament
- Mercosur:** Mercado Común del Sur (Common Market of the South)
- MHP:** Middelbare en Hogere Personeel (Federation of Managerial and Professional Staff Unions – Netherlands)
- MOSz:** Munkástanácsok Országos Szövetsége (National Federation of Workers' Councils – Hungary)
- MszOSz:** Magyar Szakszervezetek Országos Szövetsége (National Confederation of Hungarian Trade Unions)
- NATO:** North Atlantic Treaty Organization
- NESSI:** Non-Economic Services of General Interest
- Nezavisnost:** Ujedinjeni Granski Sindikati "Nezavisnost" (United Branch Trade Unions "Independence" – Serbia)
- NFS:** Nordens Fackliga Samorganisation (Council of Nordic Trade Unions)
- NHS:** Nezavisni Hrvatski Sindicati (Independent Trade Unions of Croatia)
- NKV:** Nederlands Katholiek Vakverbond (Netherlands Catholic Federation of Labour)
- NSZZ-Solidarność:** Niezależny Samorząd Związków Zawodowych "Solidarność" (Independent and Self-Governing Trade Union "Solidarity" – Poland)
- NVV:** Nederlands Verbond van Vakverenigen (Netherlands Federation of Trade Unions)
- OATUU:** Organization of African Trade Union Unity
- OECD:** Organisation for Economic Co-operation and Development
- ÖGB:** Österreichischer Gewerkschaftsbund (Austrian Federation of Trade Unions)
- OGBL:** Onofhängege Gewerkschaftsbond Lëtzebuerg (General Confederation of Labour of Luxembourg)
- OMC:** Open Method of Coordination
- OPEC:** Organization of the Petroleum Exporting Countries
- OPZZ:** Ogólnopolskie Porozumienie Związków Zawodowych (All-Poland Alliance of Trade Unions)
- ORIT:** Inter-American Regional Organisation of Workers
- OSE:** European Social Observatory
- OSHA:** European Agency for Safety and Health at Work
- PERC:** Pan-European Regional Council
- PODKREPA:** Confederation of Labour (Bulgaria)
- PU:** Political Union
- REACH:** Registration, Evaluation & Autorisation of Chemicals
- REFIT:** Regulatory Fitness and Performance Programme
- SAARC:** South Asian Association for Regional Co-operation
- SACO:** Sveriges Akademikers Centralorganisation (Swedish Confederation of Professional Associations)
- SAK:** Suomen Ammattiliittojen Keskusjärjestö (Central Organization of Finnish Trade Unions)
- SCE:** Standing Committee on Employment
- SE:** Societas Europaea (European company)
- SEK:** Synomospondia Ergaton Kyprou (Cyprus Workers' Confederation)
- SGB:** Schweizerischer Gewerkschaftsbund (Swiss Trade Union Confederation)
- SGEI:** Services of General Economic Interest
- SIGI:** Services of General Interest

- SME:** Small and medium enterprises
- SSDC:** Sectoral Social Dialogue Committee
- SSJ:** Saveza Sindikata Jugoslavije (Confederation of Trade Unions of Yugoslavia)
- SSM:** Federation of Trade Unions of Macedonia
- SSRS:** Savez Sindikata Republike Srpske (Trade Unions' Confederation of Republika Srpska)
- SSSBiH:** Savez Samostalnih Sindikata Bosne i Hercegovine (Confederation of Independent Trade Unions of Bosnia and Herzegovina)
- SSSCG:** Savez Samostalnih Sindikata Crne Gore (Union of Autonomous Trade Unions of Montenegro)
- SSSH/UATUC:** Saveza Samotalnih Sindicata Hrvatske (Union of Autonomous Trade Unions of Croatia)
- STABEX:** Système de Stabilisation des Recettes d'Exportation (System for stabilising export earnings)
- STTK:** Toimihenkilökeskusjärjestö (Finnish Confederation of Salaried Employees)
- STV-ELA:** Solidaridad de Trabajadores Vascos-Euskal Langileen Alkartasuna (Basque Workers' Solidarity)
- SVEA:** Schweizerischer Verband Evangelischer Arbeiter und Angestellter (Swiss Association of Protestant Workers)
- SZEF:** Szakszervezetek Együttműködési Fóruma (Forum for the Cooperation of Trade Unions – Hungary)
- TABD:** Transatlantic Business Dialogue
- TACD:** Transatlantic Consumer Dialogue
- TAED:** Transatlantic Environment Dialogue
- TALD:** Transatlantic Labour Dialogue
- TALO:** Teenistujate Ametiiliitute Organisatsioon (Estonian Employees' Unions' Confederation)
- TCO:** Tjänstemännens Centralorganisation (Swedish Confederation of Professional Employees)
- TEC:** Transatlantic Economic Council
- TEP:** Transatlantic Economic Partnership
- TFEU:** Treaty on the Functioning of the European Union
- TGLWU:** European Trade Union Committee for Textile, Garment and Leather Workers
- TSCG:** Treaty on Stability, Coordination and Governance
- TTIP:** Transatlantic Trade and Investment Partnership
- TUAC:** Trade Union Advisory Committee to the OECD
- TUC:** Trade Union Congress (United Kingdom)
- TUCA:** Trade Union Confederation of the Americas
- TURK-IS:** Türkiye İsci Sendikaları Konfederasyonu (Confederation of Turkish Trade Unions)
- TURK-SEN:** Kıbrıs Türk İsci Sendikaları Federasyonu (Cyprus Turkish Trade Unions Federation)
- TUTB:** Trade Union Technical Bureau for Health and Safety
- TVK:** Toimihenkilö- ja Virkamiesjärjestöjen Keskusliitoksi (Confederation of Salaried Employees of Finland)
- UATUC:** Union of Autonomous Trade Union of Croatia
- UCK:** Ushtria Clirimtare e Kosovës (Kosovo Liberation Army)
- UfM:** Union for the Mediterranean
- UFTUM:** Union of Free Trade Unions of Montenegro
- UGT-E:** Union General de Trabajadores (General Workers' Union – Spain)
- UGT-P:** União Geral de Trabalhadores (General Workers' Union – Portugal)
- UGTT:** Union générale tunisienne du travail (Tunisian General Labour Union)
- UIL:** Unione Italiana del Lavoro (Italian Labour Union)
- UN:** United Nations
- UNEP:** United Nations Environment Programme
- Uni Europa:** European Trade Union Federation for Services and Communication
- UNICE:** Union of Industrial and Employers' Confederations of Europe
- UNIO:** Utdanningsgruppenes Hovedorganisasjon (Confederation of Unions for Professionals – Norway)
- UNSA:** Union nationale des syndicats autonomes (National Federation of Independent Unions – France)
- USDA:** Unió Sindical D'Andorra (Andorran Workers' Union)
- USM:** Union syndicale de Monaco (Workers' Union of Monaco)
- USO:** Unió Sindical Obrera (Workers' Union – Spain)

**USTMA:** Union des travailleurs du Maghreb arabe  
(Union of Arab Maghreb Workers' Unions)

**VKP:** Vsejobschya Konfederatsya Profsoyuzov  
(General Confederation of Trade Unions – Russia)

**VSA:** Vereinigung schweizerischer  
Angestelltenverbände (Federation of White-Collar  
Employees – Switzerland)

**WCL:** World Confederation of Labour

**WFTU:** World Federation of Trade Unions

**WTO:** World Trade Organization

**YS:** Yrkesorganisasjonenes Sentralforbund  
(Confederation of Vocational Unions – Norway)

**ZSSS:** Zveze Svobodnih Sindikatov Slovenije  
(Association of Free Trade Unions of Slovenia)

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## List of Euro-demonstrations and European Days of Action (1973-2013)

Date	Euro-demonstrations	Location	No of participants
14 November 1975	Euro-demonstration: 'Secure jobs and a guaranteed income'	Brussels	nda
5 April 1978	European Day of Action: 'For full employment'	Decentralised demonstrations	nda
24-30 November 1979	Week of Action: 'Defending the acquis, building the future'	Decentralised actions	n/a
12-13 June 1980	Euro-demonstration: 'The Europe of workers united for peace and civil and economic progress'	Venice	5 000
23-24 March 1981	Euro-demonstration: 'For the defence of employment against unemployment', IRTUC demonstration (Meuse-Rhine)/ETUC	Maastricht	nda
29 June 1981	Euro-demonstration: 'For employment and economic recovery'	Luxembourg	12 000
13 February 1983	European trade union assembly for the ETUC's 10 <sup>th</sup> anniversary	Brussels	6 000
4 June 1983	Euro-demonstration: European employment campaign	Stuttgart	80 000
17-18 October 1989	Euro-demonstration: 'I love social Europe'	Ostend - Brussels	17 000
2 April 1993	Euro-demonstration and European Day of Action: 'Together for employment and social Europe'	Brussels + 150 decentralised demonstrations (Strasbourg, Maastricht, etc.) and strikes (Italy, United Kingdom)	± 1 000 000
16 March 1997	Euro-demonstration: 'Against the closure of Renault-Vilvoorde and for secure jobs'	Brussels	75 000
28 May 1997	European Day of Action: 'Europe must work' (campaign)	Brussels + decentralised demonstrations	70 000
20 November 1997	Euro-demonstration: 'For a social Europe and full employment'	Luxembourg	30 000
19 June 2000	Euro-demonstration: 'For full employment in Europe'	Oporto	45 000
6 December 2000	Euro-demonstration: 'For employment in Europe and social rights'	Nice	80 000
21 September 2001	Euro-demonstration: 'More Europe, a more social, democratic and citizens' Europe'	Liège	14 000

Date	Euro-demonstrations	Location	No of participants
13 December 2001	Euro-demonstration: 'Europe that's us!' – 'The euro arrives... and employment?' (campaign)	Brussels	100 000
14 March 2002	Euro-demonstration: 'Europe that's us!'	Barcelona	300 000
21 March 2003	European Day of Action: 'For a democratic, citizens' Europe'	Decentralised actions	n/a
4 October 2003	Euro-demonstration: 'For social Europe'	Rome	100 000
2-3 April 2004	European Day of Action: 'Our Europe – Europe that's us!'	Decentralised actions	n/a
19 March 2005	Euro-demonstration: 'More and better jobs – Defending social Europe – Stop Bolkestein'	Brussels	80 000
14 February 2006	Euro-demonstration: 'Services for the people'	Strasbourg	40 000
20 June 2007	European trade union assembly: 'On the offensive with the ETUC - Defend fundamental rights, social Europe, and more and better jobs'	Brussels	nda
5 April 2008	Euro-demonstration: 'More pay – More purchasing power – More equality'	Ljubljana	35 000
5 July 2008	European trade union assembly against the rulings of the EU Court of Justice on the posting of workers	Luxembourg	nda
16 December 2008	Euro-demonstration: 'Priority to workers' rights, not longer working hours'	Strasbourg	nda
14-16 May 2009	Euro-demonstration: 'Fight the crisis – Put people first' (campaign)	Decentralised demonstrations (Berlin, Brussels, Madrid, Prague)	250 000
29 September 2010	European Day of Action: 'No to austerity – Priority for jobs and growth!' (campaign)	Brussels + decentralised actions (CY, ES, DE, FR, IE, IT, LT, LV, PL, PT)	100 000 (in Brussels)
15 December 2010	European Day of Action: 'No to austerity for everyone and bonuses for a happy few'	Decentralised actions	n/a
24 March 2011	European Day of Action: 'No to austerity plans in Europe'	Brussels + FR (22/3), ES (22-24/3), DE 24/3), UK (26/3)	20 000 (in Brussels)
9 April 2011	Euro-demonstration: 'No to austerity - For a social Europe, for fair pay and for jobs'	Budapest	50 000
21 June 2011	Euro-demonstration: 'No to austerity – For a social Europe, for fair pay, investments and jobs'	Luxembourg	nda
17 September 2011	Euro-demonstration: 'Yes to European solidarity – Yes to jobs and workers' rights – No to austerity'	Wrocław	50 000
29 February 2012	European Day of Action: 'Enough is enough! – Alternatives do exist – For employment and social justice' (campaign)	Decentralised actions	n/a

Date	Euro-demonstrations	Location	No of participants
23 May 2012	European trade union assembly: 'Growth and investment for jobs – No to deregulation'	Brussels	nda
14 November 2012	European Day of Action: 'For jobs and solidarity in Europe – No to austerity'	Brussels + strikes (ES, GR, IT, PT), demonstrations (FR, PL, CZ, SI, RO), solidarity actions (DE, AT, LU, CH, NL, SE, DK, etc.)	Overall data not available. Hundreds of thousands of demonstrators.
14 March 2013	European trade union action: 'No to austerity! Yes to jobs for young people!'	Brussels	15 000

nda: no data available

n/a: not applicable (for trade union assemblies)

Sources: ETUC and Christophe Degryse (own sources)

# The European Trade Union Institute (ETUI)

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The European Trade Union Institute is the independent research and training centre of the European Trade Union Confederation (ETUC). Its mission is to build bridges between the world of research and the world of labour, in order to support, strengthen and stimulate the European trade union movement. The ETUI places its expertise – acquired in particular in the context of its links with universities and specific academic and expert networks – in the service of workers' interests at European level and of the strengthening of the social dimension of the European Union.

In its present form, the ETUI is the result of the merger, in 2005, of the following three specialist bodies: the European Trade Union Institute (ETUI, founded in 1978), the European Trade Union College (ETUCO, founded in 1989) and the Trade Union Technical Bureau (TUTB – for occupational health and safety issues – also founded in 1989).

The ETUI is currently composed of two departments:

– A research department consisting of three subject units:

1. Europeanisation of industrial relations
2. Economic, employment and social policies
3. Working conditions, health and safety

– An education department.

The ETUI is recognised as a centre of excellence in several areas of research such as European industrial relations (including European works councils, worker participation, European social dialogue, etc.) and working conditions (health and safety, exposure to dangerous substances – REACH, etc.), as well as in the field of training for trade union officials and leaders, shop stewards, young officers, trainers, etc. In order to perform its mission, the ETUI employs a multinational team of some 70 staff coming from all parts of Europe and receives financial support from the European Union.

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# **1973-2013** **40 years of history** **of the European Trade Union** **Confederation**

Christophe Degryse  
with Pierre Tilly

Anniversaries offer an opportunity to take stock and consider what progress has been achieved. The European Trade Union Confederation, founded in 1973, felt that its 40<sup>th</sup> anniversary was the ideal occasion to do just that.

This book, published by the European Trade Union Institute, recounts the history of the ETUC and assesses its action in relation to its original aims and purposes. Alongside a description of the historical facts and developments, based on the archive materials available, the authors seek to develop a more political narrative that includes testimony from actors, leaders old and new, advisers and experts, as well as critically formulated viewpoints expressed by academics, political figures and social commentators or activists. According to this multifaceted approach, forty years of union action, positioning, mobilisation, consultation, social dialogue, demands and challenges are presented to the reader.

In its blending of historical account with political narrative, the book thus adopts a hybrid approach. It examines different aspects of the European trade union movement including its structure, its internal debates, the emergence of its social doctrine, its strategies for action, its relations with employers and with the European institutions, its current struggle to preserve and strengthen the European social model, and its place in the wider context of globalisation. While the resulting narrative is inevitably sometimes complex, like that of any long-term collective endeavour, it adds up to an account that should undoubtedly be recorded for posterity. In that spirit of concern for the ongoing relevance of past efforts, this history of the European Trade Union Confederation was compiled and written.

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