

# **Transformative ideas – ensuring a just share of progress for all**

Edited by

**Kalina Arabadjieva, Nicola Countouris,  
Bianca Luna Fabris and Wouter Zwysen**

**etui.**



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# Introduction

Kalina Arabadjieva, Nicola Countouris, Bianca Luna Fabris and Wouter Zwysen

As this edited collection is being finalised, French newspaper *Le Monde* reports 287 arrests being made overnight amidst the nationwide protests against a pension reform that would raise the pensionable age from 62 to 64. This reform was imposed by the French government without a parliamentary vote under the exceptional powers conferred on the executive by Article 49.3 of the Constitution (Le Monde 2023). German news agency *Deutsche Welle* reports that ‘strikes have led to hundreds of flights to and from four German airports being canceled’ (Deutsche Welle 2023), the latest in a series of walkouts called by public sector union Ver.di over working conditions and pay. Earlier this month, on 15 March, thousands of teachers, civil servants, health and transport workers in the United Kingdom also took the unprecedented step of coordinating their strike notices in order to call what, for all purposes, amounted to a nationwide strike, if not a ‘general strike’. The world of work is in turmoil.

It is increasingly clear that all the grand promises and slogans pronounced during the 2020 Covid-19 pandemic – ‘build back better’, ‘investing in resilience’, ‘recovery and reconstruction’, ‘rewarding key workers’, ‘nothing will be the same’ and so on – have not been delivered upon. Instead, a cost of living crisis has reminded everyone of the inherent fragility of an economic system that remains fundamentally anchored to the idea that ‘labour’ is, essentially, a ‘commodity’ whose use needs to be ‘optimised’, and the cost of which needs to be ‘reduced’, for instance to curb inflation or to contain overall pension expenditure. We were all expecting a new chapter in human history, with labour receiving renewed recognition and, at last, a just and fair share of the fruits of progress. But that has not happened. Instead, there is a clear sense that promises have been broken and that we are regressing to ‘the old ways’. There is perhaps no stronger message of ‘regression to the old ways’ than Russia’s unprovoked military invasion of Ukraine, an ongoing tragedy unravelling on European soil.

Europe, and the world as a whole, is no stranger to crises. Only 15 years ago we were in the midst of the ‘Great Recession’, itself triggered by a financial crisis, then defined as ‘the deepest recession since the 1930s’ (European Commission 2009). The effects of that recession were only made worse – in Europe at least – by a self-inflicted ‘austerity crisis’, testing the social and political cohesion of the European continent and of the European project as a whole. In 2020, it was the Covid-19 pandemic that forced the world economy to grind to a halt, with widespread lockdowns and unprecedented disruptions to people’s daily lives and to global production and supply chains. The economic downturn that ensued was once more said to be ‘the worst recession since the Great Depression’ (UN 2021). The current crisis, complex enough to attract the neologism of ‘poly-crisis’, is once more tanking the global economy, and Europe’s GDP growth projections.

There is almost a sense that what was once defined as ‘disaster capitalism’ (Klein 2007) is becoming a hard-wired feature of the human condition in the twenty-first century. That regardless of whether it leads to so-called ‘shock therapy’, such as the approach taken during the ‘austerity years’, or to – admittedly innovative – counter-cyclical responses aimed at mitigating the effects of the crisis by cushioning the most vulnerable, as in the context of the Covid-19 pandemic, we are destined to drift from one ‘disaster’ to the next, from emergency to emergency, from slump to slump, from crisis to crisis.

For an economic model and political system that fetishises, and is in many ways premised on, the concept of ‘economic growth’ (Article 3, Treaty on European Union) and associates it with ‘an open market economy with free competition’ (Article 119, Treaty on the Functioning of the European Union), it is a sobering thought to contemplate that for the past two decades the EU has seen no noteworthy GDP growth rates (and certainly only average rates that are well below the totemic 3 per cent annual growth figure). There is a sense that the system is running on empty. Or is it?

In her recent work *Capitalism on Edge*, Albena Azmanova postulates that (deeper discussions about the structural limitations of capitalism aside) part of the problem with our ailing economic system is the type of solutions that, from time to time, are envisaged to remedy its dysfunctionalities (Azmanova 2020). This includes a number of solutions that one could define as ‘progressive’ or ‘emancipatory’, but ultimately they lack ambition and settle for ‘expediency’, ‘common sense’ or ‘practicality’. In her words, ‘exactly because they have been common sense solutions, they are reactive crisis management undertakings that... have unwittingly institutionalised the crisis, thereby perpetuating it’. She refers to this situation as a ‘*crisis of crisis*’ whereby ‘we are unable to exit the crisis because its root causes have been institutionalised into a new normal’ (Azmanova 2020: 170).

## 1. Reconstruction beyond the pandemic

In December 2020, in the midst of the Covid-19 pandemic, and what was by then already the second of many ‘lockdowns’ to come, a group of researchers from the ETUI (including the editors of the present book) decided to explore in greater detail the manifest fragility and weakness of our societal and economic arrangements, laid bare by the pandemic, but clearly already discernible – certainly in the Institute’s work and analysis – for a decade. The working group was initially named ‘Reconstruction beyond the pandemic’, and its first task was to discuss and identify in greater detail the nature of these structural weaknesses, and then move on to set up a large group of experts, to explore possible solutions.

We were keenly aware that the virus ‘preys on weaknesses’, as Tedros Adhanom Ghebreyesus, the Director General of the WHO, had warned in the early months of the pandemic. At that point, it was clear that Covid-19 had both exploited and highlighted a number of such weaknesses and structural deficiencies affecting our social and economic models, in Europe and beyond. The very inception of the disease was a vivid reminder

of the cost of the – largely unsustainable – forms of intense land and animal farming that our economies, consumption models and global supply chains seemingly depend on. Its spread, especially in the early weeks of the pandemic, had been greatly facilitated by the intensity of productive and working arrangements, and by a clear reluctance on the part of employers and governments to readily accept the idea of lockdowns in order to avoid any disruption in value and supply chains. While the pandemic had put the issues of biodiversity, climate change and just transition firmly at the heart of the political debate, it was already far from clear that the post-pandemic road to economic recovery would be green and sustainable, let alone just. Questions about whether job intensification, working conditions and existing working arrangements were obvious ‘vectors’ in the spread of the virus were quickly displaced by mandatory teleworking and ‘clapping the heroes’ rituals.

But it was also evident to the working group that this was not an ‘equal opportunities’ pandemic. Longstanding structural inequalities meant that some of the most vulnerable and marginalised communities in our societies were disproportionately affected in terms of both illness and mortality rates and also the unprecedented levels of poverty and destitution triggered by the pandemic. It is also increasingly evident that the pandemic reinforced the structural nature of the unequal distribution and accumulation of wealth. The ‘top 1 per cent’ was greatly benefitting from various responses to the pandemic, and it was clear to us that our societies would, eventually, exit the pandemic but with more and deeper inequalities than ever. It was indeed around that time that the topic of ‘equality’ gained such prominence in the Institute, and both the 2022 edition of our flagship publication, *Benchmarking Working Europe*, and our bi-annual ETUI/ETUC ‘Big Conference’ were eventually dedicated to this very topic (with a separate working group set up to steer all ‘inequality’-related activities in the Institute).

During the pandemic it was far from obvious how these growing societal rifts would eventually be addressed, let alone remedied, in a post-pandemic world. It was clear, however, that the ‘distributive’ question – which in a broad-brush way the Institute has traditionally understood as a redistribution of societal wealth from capital to labour, while of course appreciating the more complex institutional nuances of this discourse – would have to be moved higher up the national and supranational reform agendas. The ETUI’s flagship publication *Benchmarking Working Europe* entirely dedicated its 2020 edition to assessing the impact of the pandemic on the world of work, and pointed out:

it is essential to recognise the redistributive function of decent working conditions and fair wages. In recent decades, redistributive mechanisms have faltered in two important ways. Firstly, ..., by failing to identify wealth and tax it properly. Secondly, by permitting wealth created in increasingly complex and global value chains to flow upwards, rather than trickle downwards and into fair wages and decent working conditions. (p. 10)

None of the participants in our working group was particularly impressed by such grandiose slogans as ‘building back better’, ‘levelling up’, and so on. This scepticism was not motivated by cynicism or some innate distrust in the ‘ruling class’ or government.

But it was obvious that very few, if any, of the recipes put forward even by the better-intentioned parties had any structural ambition, or a profoundly redistributive or transformative potential. They were just more of the same. In Azmanova's words, they were common-sense, crisis-management solutions capable only, as it turned out, of institutionalising the crisis into the long awaited 'new normal' (Azmanova 2020).

## **2. Transformative ideas**

In our quest for a more transformative approach to envisaging future social and economic relations, we decided to expand our working group to include a cross-disciplinary team of academic experts who share our angle of enquiry and could help to develop this approach with reference to concrete policy proposals. We were very much inspired by William Beveridge's powerful reflection that 'a revolutionary moment in the world's history is a time for revolutions, not for patching', a phrase that accompanied his very first 'principle' in the 1942 'Beveridge Report', a document that eventually went on to lay the foundations of the British welfare system and inspired the functioning of many other welfare regimes. There was no ambition, however, to produce a manifesto, a blueprint for a new society, or even an encompassing reform agenda as it was felt that such tasks could be performed only on the basis of a mandate that, by definition, technical and academic experts lack.

There was, however, a clear aspiration to ensure that all proposals were both transformative in their approach (that is, capable of both reforming the particular areas to which they applied and assisting with dismantling pre-existing structures determining the very unequal and fragile system we live in), and novel and original in character (that is, either untested or only partly tested). In addition, it was agreed that, transformative as they may be, these ideas should not be contingent on a revolutionary reconfiguration of the current relationship between capital and labour (in that respect, neither were Beveridge's proposals). At the same time, it was acknowledged, and in some respects even hoped, that they may well lead to a radical (and in that sense revolutionary) rebalancing of that relationship, and of power structures within societies in general.

In the meantime, the pandemic was having profound transformative effects on some of the key institutional arrangements underpinning our societies, putting them under strain. Our labour markets were being profoundly reshaped by it, both quantitatively – with unprecedented levels of expected job losses and swathes of inactive, though not necessarily unemployed, workers on subsistence wages or incomes – and qualitatively, with the emergence of teleworking as a new prevalent form of work, in which digital technology plays an ever-growing role. The growing influence of algorithmic management systems in both the physical and the digital workplace was already redefining key aspects of work relations, and the very concept of work, with potentially long-lasting effects. It was clear that labour protection systems, and the labour movement, had to come up with innovative responses to these newly emerging societal risks. But, beyond that, welfare states would also be expected to come up with innovative solutions capable of addressing old and new challenges and guaranteeing a decent income for all, and

societies would need to identify new ways of mutualising these risks fairly rather than letting them fall disproportionately on individual workers.

The pandemic has also forced societies to reassess the role of the state in regulating markets, the economy and society at large. The resilience of our economic and societal structures and of our chronically underfunded public services has also been shaken to the core. Decades of neoliberal and austerity-driven reforms had depleted our health systems and overstretched our industrial base and productive infrastructure. While unprecedented levels of public spending eventually managed to upgrade some of the essential services and vital infrastructure, it soon became clear that even substantial cash injections could not magic up the millions of nurses, doctors and care personnel required to tackle the pandemic. Even producing essential vaccines, let alone allocating them fairly and equitably between nations and regions of the world, emerged as a vexed question, raising uncomfortable truths about the efficiency and fairness of global supply chains, free trade, strategic autonomy, and nationalist or protectionist reactions. The European Union has been a key actor in this process and, amidst one of the most ambitious public spending and investment programmes since the Second World War, it is clear that the era of the ‘small state’ should be over. But what will a ‘big state’ look like, how will it be financed and how will it strike a balance between the new emerging notions of public and general interest and individual freedoms or personal choice? These questions remain unanswered.

The pandemic also cast a new light on how public opinion is formed and shaped, how decision-making processes allow for genuine participation and produce legitimate outcomes (including through industrial democracy), and the level of control to which private individuals can be subjected, either by the state or by corporate actors. The prospect of rebuilding societies and economies after the Covid-19 crisis offered a unique opportunity to transform the global economic system comprehensively and to make it resilient to future shocks, while ensuring environmental sustainability, intergenerational fairness, a dignified existence and a just share of the fruits of progress for all. This was indeed the time to cast a new social-ecological contract for the future, ensuring a just share of progress for all.

### **3. A just share of progress for all**

The world of work looks very different from that envisioned in the original Beveridge report – with much higher employment, weaker trade unions and more technology transforming how work is done. Open trade, new technology, and much greater inclusion and incorporation of women in the labour market have resulted in high productivity and high employment. But workers’ power has been on a downward slope since the 1970s, resulting in more precarious work and a sharper divide among workers, as well as between workers and capital.

Over time, there has been an enormous increase in the importance of financial markets, which has created incentives to extract value via stock markets and myriad other financial instruments. This financialisation has come at the cost of workers and

resulted – along with other changes – in an ever-declining labour share; in other words, the benefits of growing productivity are being shared less and less with the workers creating them (Weil 2014; Dünhaupt 2017; Godechot et al. 2022). This means that workers are increasingly missing out on the benefits of productivity growth, and thus that growth would need to increase by much more in order to improve the living standards of workers and the majority of the population compared with a situation in which a greater share of productivity goes to labour (see also Theodoropoulou 2019 for fair wage growth in Europe). Other factors in this declining labour share are declining worker power, as evidenced through weakening trade unions.

As a higher share of growth goes to capital, wealth inequality increases as well. Not surprisingly then, the attention of economists and sociologists working on inequality has been moving from inequality in wages and earnings to inequality of wealth. While European societies have compressed wage distributions, increasingly the divide is again between those whose income comes from wages, and those whose income comes from capital. On this measure Europe does not look quite so good (Piketty 2014; Pfeffer and Waitkus 2021). This calls into question how we fund our welfare states, and what outcomes are desirable.

The standard type of employment – full-time and on an open-ended contract – is declining, with much greater flexibility being imposed on employees. While headcount employment is high, a larger group of people can now be in poverty even while working. This interacts with structural inequalities by ethnicity, gender and age. Work itself has also changed, with new technologies and ever-growing automation. While initially affecting more low-skill or routine jobs, new advances in algorithms and AI systems affect a growing number of aspects and dimensions of work performance and workplace regulation. These hold enormous opportunities for making work less strenuous and increasing productivity, but also bring great risks. Crucially, our whole system of labour law and workers' protection may not be ready to deal with the increasing and invasive use of computer systems in evaluating work and, crucially, workers (Aloisi and Stefano 2022). A central aspect of this discourse is that, by definition, certain outcomes of the use of this technology cannot be predicted, and their indeterminacy makes them exceedingly difficult to regulate. But lessons can be learned from how innovations came about in the past and how the preventive and precautionary principles helped with minimising and mitigating certain risks, or sharing them equitably between workers, capital and society at large.

One of the greatest paradoxes of our time is that just as it is becoming clear that these emerging problems can be addressed only by means of collective solutions, trade unions, arguably the most important collective actors for social change, appear to be at a historical low in terms of both numbers and – to a certain, but lesser extent – influence on political and industrial relations. We now know that the deliberate strategy of weakening trade unions, initiated in most industrialised countries in the 1970s, has delivered substantial gains to corporations, while reducing over time trade unions' power to represent and organise workers, obtain better wage outcomes and provide a counterweight to the rise of global corporations. These trends have been accompanied by declining union density and falling collective bargaining coverage and by a parallel



rise in inequality indicators, also mirroring workers' declining power vis-à-vis their firms (Tomaskovic-Devey et al. 2020). At this moment in time, even organisations that, historically, have had little sympathy for left-leaning, or even progressive ideas, such as the OECD (OECD 2019) or the European Commission are arguing in favour of a reversal of what is ostensibly an unsustainable state of affairs, for instance encouraging more, and more centralised, collective bargaining. But these good intentions often clash with the realities of certain national labour movements whose capabilities for mobilisation and action have been depleted by decades of deliberate decentralisation strategies, union hostility and industrial transformation.

Most pressing of all is the climate catastrophe in the making, and all too imminent if the current emission-fuelled growth continues. This requires a switch of industry to low-carbon alternatives, which will massively affect the world of work in Europe. While new jobs will be created, this process also entails huge disruption. Many of the jobs affected are skilled manual jobs with relatively good conditions, while labour demand is growing in jobs with worse conditions (Eurofound 2022). A crucial goal must therefore be to ensure a fair transition, in which the costs of this industrial transformation are not all borne by a small group of workers. Beyond that, however, deeper societal change is also needed to ensure fairness and solidarity in this global crisis, and the long-term social and environmental sustainability of our communities (IPCC report; green transitioning). It is, in particular, clear that – in a world subject to environmental limits, where endless economic growth is not a realistic possibility – a radical redistribution of resources is necessary to ensure that all citizens receive a just share of progress (Hickel 2020). This includes ensuring that workers receive their fair share of the profits of economic activity – which currently accrue to the '1 per cent' in a highly disproportionate manner – while guaranteeing decent working conditions, reducing working hours, investing in expanding socially and environmentally beneficial sectors (such as care and education), and shrinking sectors with high ecological footprints and making a low contribution to societal wellbeing.

This short sketch highlights increasing polarisation, not only between capital and labour, but also between workers with good positions and high wages and those making a living in precarious and insecure jobs, as well as between workers and people who cannot work. The result is a growing feeling of unease, as well as societal cleavages. This results in more extreme politics and diminished social cohesion.

The challenges are legion. While in no way exhaustive, this book brings together eminent scholars and thinkers to consider solutions and ways of thinking about these issues. The results require both some full-on societal changes and more stepwise modifications. While some of these ideas may not be ready to be implemented immediately, this book seeks to provide a perspective – or even a range of perspectives – on how to approach the various challenges, and what a just and fair society would look like, with no particular limits. It seeks to learn from the past and to set out alternative visions of a future in which equality and human wellbeing are achievable within planetary boundaries, citizens (and workers) participate meaningfully in decision-making, and social divisions and conflicts are in decline.

## 4. Contents of the book

The book is loosely organised in three main blocks. The first block collects four chapters that look at what has happened already and how to correctly diagnose ongoing trends and learn from them for the future. In chapter 1, Danny Dorling takes a closer look at the Covid-19 pandemic, arguing that it will cast a long shadow on Europe, especially in terms of its impact on the performance of public services and the public sector at large. While, he argues, it would be wrong to see this event as ‘unique’ – it is likely that similar events have happened before, for instance in 1963, but were not recognised as such, and they could certainly occur again in the future – it would be equally mistaken to deal with it and with its effects in terms of an ‘emergency’ approach. The ‘never ending pandemic’ should be addressed by means of structural solutions and a new era of social investment. And in fact, some of the responses to the crisis contain at least a glimpse of what could be a better and more just society.

In chapter 2, Béla Galgóczi discusses the equality implications of the green transition, identifying how different and cumulative inequalities are created or exacerbated in the transition to net-zero. He argues that the current focus of the ‘just transition’ policy tools on one aspect of inequality at a time can have negative side effects, as it often fails to capture the full complexity of the social implications of climate action. There is a need for a comprehensive and integrated approach to understanding and reducing the multiple dimensions of inequality, while reducing the human footprint on the natural environment.

In chapter 3, Hamid Ekbia discusses the process of technological innovation in the long term through seven lessons from the past. These show the importance of not believing that new technologies are inevitable or that humans are ‘mere fools’ in the face of new technology, but not that new technologies are ‘mere tools’ either. He highlights the need to fight against entrenched interests and old habits of thought, on a planetary scale, in order to make the best use of the new opportunities for equality and justice. This requires strategic cooperation among communities, nations and regions, rather than competition.

Finally, in chapter 4, Colm O’Cinneide points out the inconsistency between states’ relatively long-standing, notional commitment to democratic egalitarian ideals and the reality of persistent, multiple inequalities that are still deeply embedded in our societies. This gap creates serious challenges for democratic institutions premised on the idea that everyone has an equal chance to participate in democratic processes, as well as for the proper functioning of legal systems. He argues that, while they are no silver bullets – and subject to important limitations – legal human rights guarantees have been and can continue to be applied to hold democratic societies to account regarding how they live up to their equality commitments.

The second block of chapters identifies some concrete, and actionable, policy solutions with clear transformative potential. Importantly, these chapters should not be read as a joint blueprint because each author and chapter offers a self-contained set of ideas and suggestions for reform. For instance, chapter 7 advocates a universal basic income,



while chapter 8 puts forward the merits of a job guarantee, two transformative ideas that could in some ways be regarded as in opposition.

In chapter 5, Olivier De Schutter, Kate Pickett and Richard Wilkinson challenge the dominant framing whereby poverty reduction is at odds with living within planetary boundaries. They put forward a mutually beneficial combined approach built on an inclusive economy, in which better climate outcomes are incentivised and rewarded directly, while inequality in wealth and income is reduced and better distributed, without the need for ever more growth.

In chapter 6, Nicola Countouris and Valerio De Stefano offer a reappraisal of the idea of ‘personal work’ and a critical assessment of the concept of subordination, which shapes the traditional contract of employment and subordinate work. They suggest that the notion of personal work may be more useful in attempts to develop a newly conceptualised concept of human labour, one capable of incorporating certain dimensions of (unpaid) gendered labour, ‘heteromated’ labour (‘heteromation’ is the extraction of economic value from low-cost or free labour in computer-mediated networks), and other forms of socially (and ecologically) valuable labour that hitherto have been excluded from the realm of formal, protected and paid employment.

In chapter 7, Guy Standing argues that the increasing frequency and growing randomness of crises requires new recipes, as the old ways of targeting support and benefits will leave too many unprotected. While in the past the focus has often been on employment as the key factor protecting people against insecurity – particularly natural to trade unions – this leaves the door open for other types of insecurity to be smuggled in even among those in work. The solution is to build-in *ex ante* protection through a universal basic income, rather than *ex post* compensation. His chapter is enriched by an original perspective or what he defines as a new ‘eco-fiscal policy’, designed to dismantle rentier capitalism and to satisfy the vital need to confront the ecological crisis seriously.

Rania Antonopoulos proposes a different solution to the problems of precarity and insecurity in chapter 8. While traditional labour market policies start from the idea that there are structurally sufficient meaningful jobs, they cannot satisfactorily address problems on the demand side of the labour market. As labour can be meaningful and provide protection against insecurity, there should be a right to and guarantee of a job to everyone who wants one. This is not merely idle speculation – experiments and schemes have been conducted incorporating such a job guarantee.

The last block of chapters takes a closer look at the role of trade unions and workplace democracy, showing how these can be revitalised and how they can drive transformative growth within Europe. Keith Ewing, in chapter 9, explores a new dimension of the concept of ‘equal pay for work of equal value’, demanding a generalisation of this principle beyond its current use. Coupling this new generalised deployment of the concept on a cross-sectoral basis with a greater use of collective bargaining processes and the introduction of a novel principle of ‘fair differentials where work is agreed to be of a different value’, could eventually lead to making good on the unfulfilled promise

of the 1944 ILO Declaration of Philadelphia, namely that ‘a just share of the fruits of progress’ should be ensured to all workers.

In chapter 10, Philippe Askenazy and Claude Didry make the case for a wider definition of just transition, incorporating the environmental work done through civil society and grassroots activity also within the workplace. They argue that the whole of society must be involved rather than leaving it to special industrial interests focused too narrowly on carbon emissions. They give an in-depth analysis of a shift happening among workers and argue that unions can go beyond the representation of workers to representing ‘citizen-workers’ and their broader interests, including those beyond working time or pay.

Reingard Zimmer, in the final chapter 11 of the book, discusses the role of trade unions and workplace democracy more generally in empowering workers and thus reducing the appeal of authoritarianism and the far right. She looks to the German case for elements of direct democracy that can be strengthened within companies, arguing that the experience of participation and solidarity at the workplace can help to build a countervailing power to prevent authoritarianism and right-wing populism. Importantly, she also explores how transnational solidarity and mobilisation can assist in this important domain.

Of course, the contributions to this book concern topics and ideas that fall within the authors’ particular expertise, providing specific solutions to some of the challenges discussed above. This means that many crucial issues are mentioned only briefly, or not at all in the pages of this book. This by no means suggests that we or the contributors to this book do not consider them to be equally important. For example, most of the chapters have a strong focus on the situation in Europe or the EU Member States, even though many of the proposed solutions could be implemented beyond the European context. Nevertheless, we acknowledge that any vision of just, equal and sustainable societies should take a global perspective, and recognise the responsibility of the Global North for persistent and growing inequalities within the Global South, with regard to both historical and current patterns of exploitation and extractivism.

Another very significant topic we do not address in depth in this volume is migration, although it affects both the world of work and society at large to a great extent. Furthermore, it is likely to increase in the context of a changing climate and rising frequency of extreme weather events that displace millions of people. In addition, while several chapters highlight groups who are particularly vulnerable, marginalised or underrepresented – for example, because of their gender, race or ethnicity, disability or age – the book does not focus in detail on these particular factors of disadvantage and inequality. But transformative ideas will be necessary to address the systemic causes of disadvantage that affect these groups, and to ensure that they can enjoy a just share of progress and participate in decision-making processes in their community. For example, recognising care appropriately as a fundamental cornerstone of our societies has long been advocated as a necessary step towards ensuring gender equality (for example, Elson 2017), alongside putting care and wellbeing at the centre of our understanding of progress and prosperity. There are also many emerging ideas related to the eco-welfare

state that are not addressed in this volume, such as universal basic services – distinct from universal basic income, as discussed in Guy Standing’s chapter – and which form part of alternative visions of a post-growth economy.

While it is clear therefore that this book is not exhaustive, we hope that the ideas presented in the following chapters will stimulate the trade union movement, governments, policymakers, civil society and other relevant actors in crafting innovative solutions to the myriad contemporary societal challenges. For the trade union movement, the present moment offers an opportunity to give fresh impetus to the voice of workers in defining our collective future, by departing from conventional and tired narratives, recalibrating goals and strategies to ensure a just share for all in a world subject to ecological limits and finite resources, and forging new labour–nature alliances.

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## **Part I**

### **Learning from the past and reimagining the future**



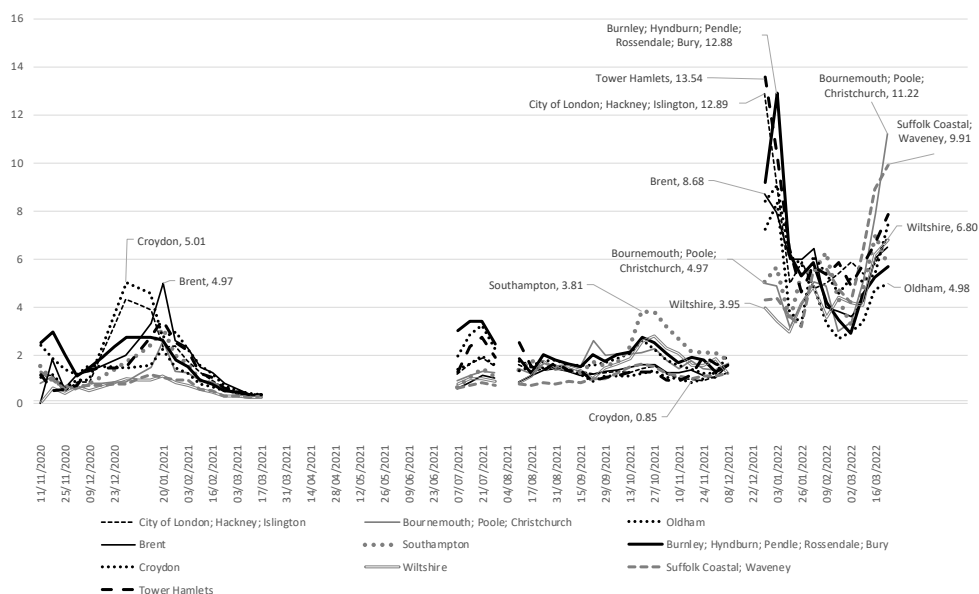
# Chapter 1

## From the pandemic to the cost-of-living crisis: what are we learning?

Danny Dorling

In April 2022 the pandemic was still surging and receding across Europe, but to different degrees in different countries. Much the same is to be expected for years to come, although hopefully it will be more attenuated. Even within the same country, the number of people infected has varied greatly by area as different waves rose and fell more or less in different areas (Dorling 2022a). Within the United Kingdom, rates of infection in early spring 2022 were twice as high on the Southern and Eastern coasts as in towns in the North West (which in turn had been very badly hit just a few months earlier – see Figure 1). But everywhere, between 1 in 20 and 1 in 10 of the entire population were infected in the spring, and we have already lost count of how many waves of the infection there have been. This is because it is so hard to count waves when there are multiple waves with different timings even within countries, let alone between them.

Figure 1 People in 10 areas of England with Covid-19: November 2020 to March 2022 (%)

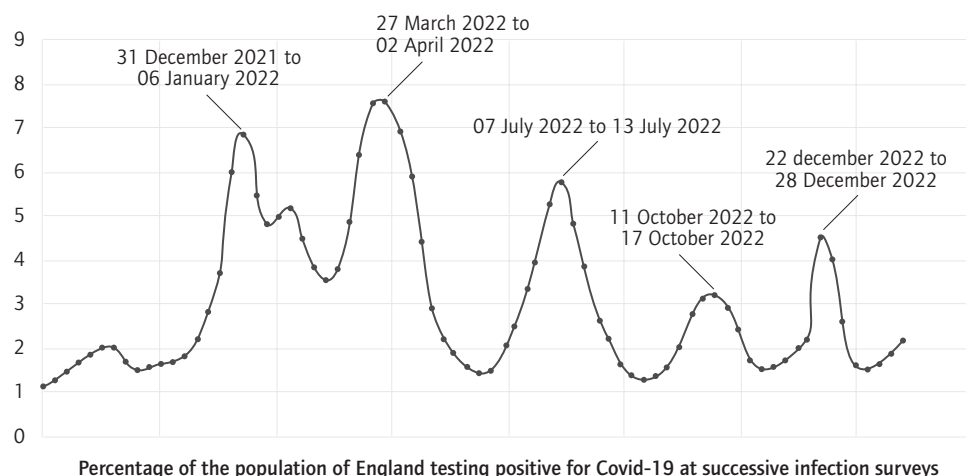


Source: ONS Coronavirus (Covid-19) Infection Survey.

# 1. The never ending pandemic

In England, we know that there were at least five peaks of the disease during 2022. This was revealed by the continuous surveillance survey, which appeared to show the disease slowly abating over the course of the year (Figure 2). Such a high proportion of the population had been infected earlier in 2022, however, and so many older people had taken the opportunity to be vaccinated again in autumn 2022 that there is good reason to expect high rates to emerge again. We should expect many new waves in 2023 and beyond. This is a disease that does not go away in the short term, but merely abates before returning again. We are increasingly getting used to it, however, and mortality should be lower in most future, smaller waves. As I write in February 2023 more than 400 people a week are still dying from the disease in England and Wales, and more than 300 a week directly because of it. These are higher numbers than in many earlier weeks of 2022.

Figure 2 Official reported estimates of the rate of Covid-19 infections in private households (%)

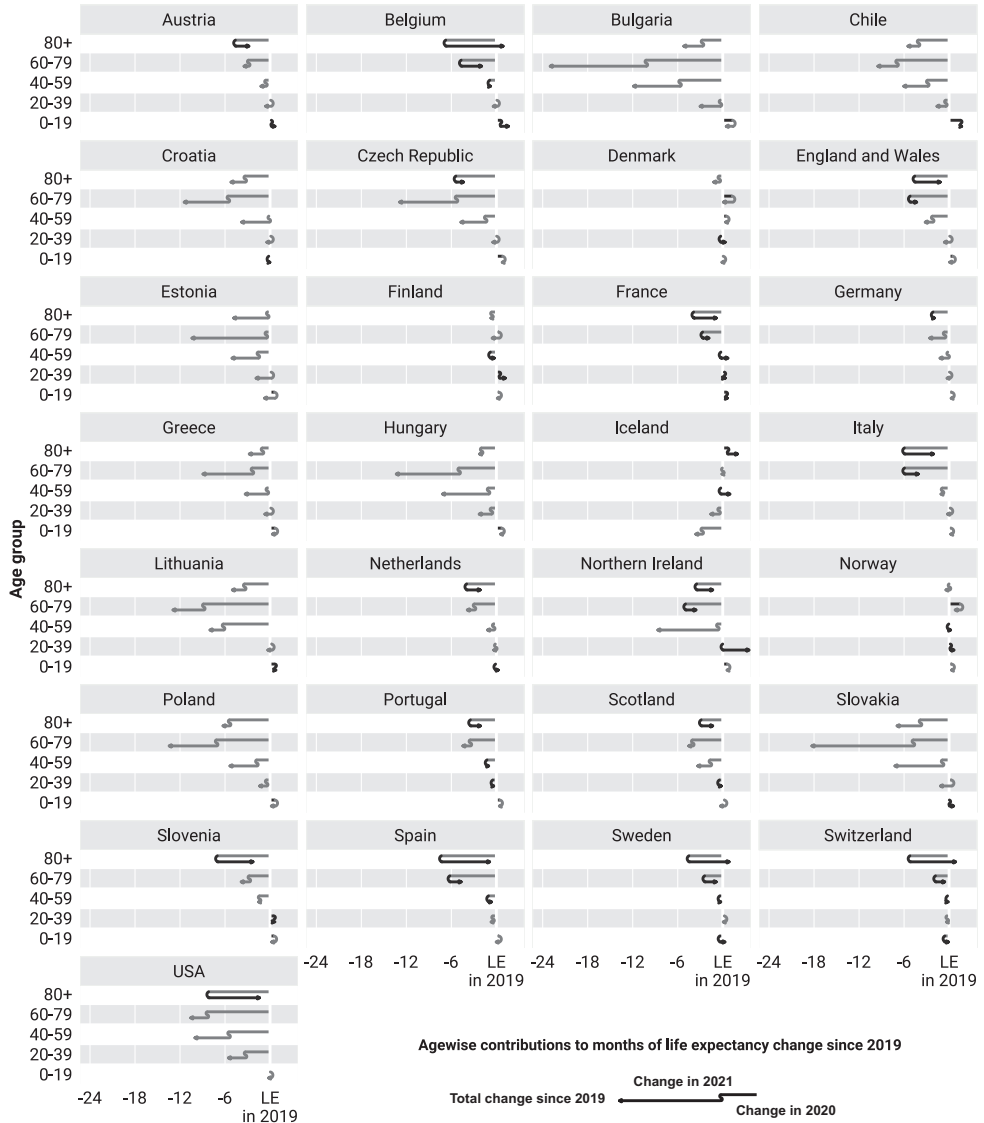


Source: ONS Coronavirus (Covid-19) Infection Survey, release of 24 February 2023.

As Christmas 2022 approached, it was clear that in Europe we had begun to learn to live with the disease. There was no talk of future lockdowns and very few restrictions. We took our vaccines and only very rarely were tested anymore. If it were not for the continuous surveillance tests taking place in the United Kingdom, we would have only an anecdotal account of how prevalent it now was. Fortunately, studies had begun to be published that showed us how much different parts of the world (mostly countries in Europe) had been affected in terms of months of life lost for people of different ages living in different countries. These are shown in Figure 3.



Figure 3 Change in life expectancy by country and age group, 2019–2021



Source: Schöley, Aburto, Kashnitsky et al. (2022). Reproduced under <http://creativecommons.org/licenses/by/4.0/>.

There were huge differences in how badly countries in Europe were affected by the pandemic. These are visible even when measured in terms of something as basic as changes in overall life expectancy. Not all these changes will have been due to the disease. Some will have been exacerbated by the ongoing effects of austerity, others by the effects of lockdowns diminishing peoples' ability and willingness to access health services. There was, for example, a 70 per cent increase in England in the year after the first lockdown in the number of bodies autopsied in London that had been discovered

so late on that they had decomposed. This was associated with a 38 per cent rise that year in the number of people dying at home (Estrin-Serlui and Osborn 2021).

Figure 3 shows that the least affected countries were Denmark, Finland, Iceland and Norway. Being more remote and having a lower population density helped, but clearly a strong society and welfare state was also essential. When ranked according to the largest overall falls in life expectancy, the worst affected countries in Europe were Bulgaria, Croatia, the Czech Republic, Estonia, Greece, Hungary, Lithuania, Poland and Slovakia. Clearly, central and eastern Europe was much harder hit than the west. In many countries it was the oldest age group – 80 years of age and above – that first saw an improvement. This was probably because this group received vaccines first, and also was more able to restrict the number of contacts it had because very few people of that age go to work. Only in Belgium, Iceland, Sweden and Switzerland, however, had life expectancies in this oldest group by 2021 slightly exceeded what they were in 2019. This includes two of the countries at the heart of Europe that were very badly hit by the pandemic early on (Belgium and Switzerland). This illustrates what is possible. It might also suggest that Sweden's approach to the pandemic was sensible. Contrast that to what has occurred in the United States (the lowest diagram in Figure 3 shows where people aged between 40 and 79 lost a year of life expectancy, on average).

Data released by the United Nations in its 'World Population Prospects' report of summer 2022 revealed that overall life expectancy had fallen by two years or more between 2019 and 2021 in 50 countries worldwide, 10 of which were in Europe (Table 1). Falls as great as 4.5 years in Russia will have occurred – mainly – not as a result of deaths from the disease, but rather from wider changes that denied people good health care, or worsened their economic situation so much that they died earlier than they would otherwise have done. Rates of maternal mortality in Russia grew enormously in 2021 to more than triple the number registered each year from 2012 to 2020 (Statista 2022). In India, life expectancy fell by 3.7 years partly because so few new-born infants were immunised against other diseases during the pandemic and again because maternity care deteriorated (Singh et al. 2021). These huge falls in life expectancy overall – the worst since the Second World War – and their very slow recovery, suggest that the world has a great deal to learn about how it deals with a pandemic of this type in the future, including in Europe.

There were only 32 countries in the world in which life expectancy rose overall between 2019 and 2021. Six of the 32 were in Europe, thus demonstrating how great the variation was within this one small continent. Interestingly, the three countries with the lowest overall falls worldwide (which could be added to the list in Table 2 if slight falls were included) were the Solomon Islands (13 days), Denmark (22 days) and Sweden (26 days). All did slightly better than New Zealand, which isolated itself but still saw overall life expectancy fall by 44 days between 2019 and 2021. Clearly we have a lot to learn about what approaches have been most successful overall in adapting to and mitigating the pandemic.

**Table 1**      **Change in life expectancy by country, 2019–2021**  
**(the 50 countries with the largest falls)**

1	–5.5	Oman	26	–2.9	Mayotte
2	–4.5	Russian Federation	27	–2.9	Ukraine
3	–4.3	Botswana	28	–2.9	Seychelles
4	–4.2	Bolivia	29	–2.8	Albania
5	–4.2	Lebanon	30	–2.8	Slovakia
6	–4.0	Mexico	31	–2.8	Honduras
7	–3.9	Cuba	32	–2.6	Philippines
8	–3.9	Colombia	33	–2.6	Brazil
9	–3.9	Guatemala	34	–2.5	Serbia
10	–3.8	South Africa	35	–2.5	Lithuania
11	–3.8	Namibia	36	–2.4	Costa Rica
12	–3.8	Peru	37	–2.3	Saint Lucia
13	–3.7	Azerbaijan	38	–2.3	Romania
14	–3.7	India	39	–2.2	Guadeloupe
15	–3.6	Ecuador	40	–2.2	Iran (Islamic Republic of)
16	–3.5	French Polynesia	41	–2.2	Tunisia
17	–3.5	Eswatini	42	–2.2	Kazakhstan
18	–3.5	Belize	43	–2.1	Republic of Moldova
19	–3.5	North Macedonia	44	–2.1	Martinique
20	–3.5	Guyana	45	–2.1	Uruguay
21	–3.4	Armenia	46	–2.0	Zimbabwe
22	–3.4	Paraguay	47	–2.0	French Guiana
23	–3.3	Bulgaria	48	–2.0	Suriname
24	–3.2	St Vincent & Grenadines	49	–2.0	Latvia
25	–2.9	Indonesia	50	–2.0	Cabo Verde

Source: Change in years of life expectancy, UN World Population Prospects 2022.

Very large numbers of people are dying every day because of the pandemic worldwide, as well as in Europe. It will not go away, but we should henceforth expect its effects to lessen. China has now relaxed restrictions, and although it will be some time before we can be sure, it is likely that its life expectancy will continue to rise, even though the disease has been spreading there rapidly in 2023. Rather than criticise and mistrust the Chinese so much, it would be very helpful to try to work out why so much of South East Asia has been so little affected, with life expectancy also rising in South Korea and Japan in these years despite the lifting of restrictions there, too. Long-Covid will continue to haunt us and heart disease also appears to have been rising in association with the disease, especially among men. This all increases pressure on health services, and yet those services and the nature of societies in the more equitable Nordic countries of Denmark, Finland, Iceland, Norway and Sweden (without exception) mean that these countries have suffered the least from the pandemic in Europe, alongside the relatively wealthy Switzerland and Luxembourg and the island of Malta.

Table 2 Changes in life expectancy by country, 2019–2021 (the 32 countries with no falls)

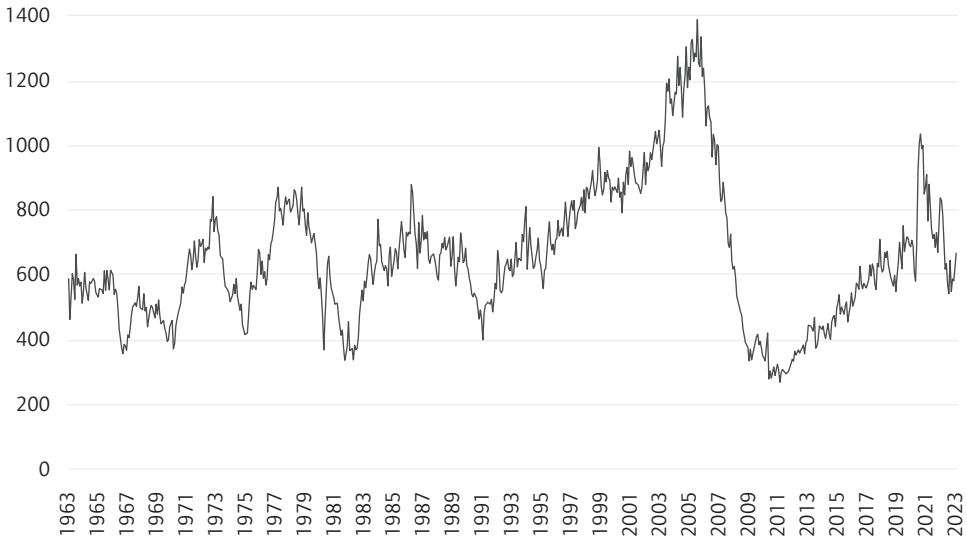
1	0.04	South Korea	17	0.36	Taiwan Province of China
2	0.05	Belgium	18	0.36	Japan
3	0.09	North Korea	19	0.39	Sri Lanka
4	0.12	Tonga	20	0.39	Bahamas
5	0.14	Grenada	21	0.42	China, Macao SAR
6	0.17	Finland	22	0.42	Bhutan
7	0.20	China, Hong Kong SAR	23	0.47	Western Sahara
8	0.21	Switzerland	24	0.49	Luxembourg
9	0.24	Syrian Arab Republic	25	0.57	Malta
10	0.24	China	26	0.57	Vanuatu
11	0.26	Turkmenistan	27	0.61	Samoa
12	0.27	Kiribati	28	0.72	Togo
13	0.27	Iceland	29	0.73	Tajikistan
14	0.28	Norway	30	0.77	Congo
15	0.29	Canada	31	1.10	Puerto Rico
16	0.31	Barbados	32	1.42	Australia

Source: UN World Population Prospects 2022.

## 2. What Covid teaches us about the cost-of-living crisis

The pandemic has had far wider effects than simply its influence on health. Economically, it has disrupted trade, which may well have triggered the current cost-of-living crisis as prices, which had been kept low by international competition, began to rise. It will be almost impossible to disentangle all of its effects, however. For example, to what extent was the economic and social collapse in Russia, which was so greatly exacerbated by the pandemic in the years up to 2021, not to mention how it was handled, a substantial reason behind the Russian leadership's decision to invade Ukraine in early 2022? A 'patriotic' war diverts attention from trouble at home. Similarly, to what extent were the deaths of so many very elderly people in so many affluent countries in 2020 one of the reasons why there was a house price boom in most such countries that year, as the homes the elderly deceased had lived in (or still owned after they had moved into nursing homes) were sold off by relatives? A sudden increase in the supply and sale of larger, often detached properties can make it appear that housing markets are booming, when in fact a series of transactions have simply been brought forward. Figure 4 shows that the 2022 plunge in house sales in the United States is now as great as that which preceded the worldwide financial crash in 2008. House and apartment sales normally fall before prices fall. In the United Kingdom, house sales had also fallen over this period and falling prices began to be reported in the autumn and winter of 2022 (BBC 2022). Thus the inflation of 2022 was not, at least in these two countries, similar to that of the 1970s, when homes also rose in price; instead, we were seeing prices of basics, such as food and fuel, rise the most, while the value of some of those assets held more often by the wealthier among us began to decline.

Figure 4 Sales of family homes in the United States, 1963–2023 (thousands)



Source: Hughes (2022), and <https://fred.stlouisfed.org/series/HSN1F>

The pandemic initially reduced demand for many goods as people had less money to pay for them and were spending more prudently. It also reduced the capacity to produce as much, and the cost and complexity of shipping and other transportation rose. Prices began to rise as demand picked up. In effect, almost everyone's income and wealth were being reduced. But the effects were very different in different countries, for different groups of products, and affected countries very differently, depending on how great income inequalities were in each country to begin with, and what measures particular governments took to try to soften the blow. These measures ranged from subsidising fuel and public transportation costs, to directly controlling the price of many basic foodstuffs in countries such as Greece to try to ensure that no one went hungry (Dorling 2023).

The cost-of-living crisis was seen as the most important global crisis by April 2022 (Ipsos 2022). Some 32 per cent of people polled worldwide placed 'inflation' in their top three greatest concerns, the highest proportion for any of the options offered in that survey. However, the second greatest concern in the world, almost to the same degree, was 'inequality and poverty'. This most worried 31 per cent of people. That was closely followed by 'unemployment', which is often feared to be likely to rise along with prices, as firms try to lay people off to reduce their costs and compensate for the higher prices the firms themselves have to pay for basics such as fuel to heat their offices and the components of whatever it is they make.

Just as with the pandemic, the extent to which people were affected and worried by the crisis also varied greatly geographically. This partly reflects how equitable countries are, as in a more equitable country people are better placed to deal with rising prices as fewer are very poor. Among the European countries surveyed worldwide by Ipsos in

April 2022, the lowest concerns about inflation were recorded in Sweden (18 per cent of people put it in their top three concerns), Italy (21 per cent) and France (26 per cent). The greatest concerns were recorded in Poland (51 per cent), Hungary (40 per cent) and Great Britain (38 per cent). Poland, Hungary and Britain have more people finding it far harder to get by than Sweden, Italy and France. Britain may be a rich country overall, but it has much higher income inequality and higher housing costs than elsewhere in Western Europe (Table 3).

Table 3 Income inequality in OECD countries, 2004–2021 (Gini coefficient)

Worst year	Maximum	Latest	Change	Country	Worst year	Maximum	Latest	Change	Country
2005	29	22	–7	Slovakia	2011	38	32	–6	Russia
2013	25	25	–1	Slovenia	2014	34	32	–2	Australia
2004	27	25	–2	Czech Republic	2013	35	32	–3	Spain
2008	31	25	–6	Iceland	2013	34	32	–2	New Zealand
2019	26	26	0	Belgium	2017	33	33	0	Italy
2004	29	26	–2	Norway	2011	39	33	–6	South Korea
2019	27	27	–1	Finland	2018	33	33	0	Japan
2019	27	27	0	Denmark	2006	38	34	–4	Romania
2009	29	27	–2	Austria	2011	37	34	–3	Israel
2017	28	28	–1	Sweden	2009	37	36	–2	Great Britain
2004	32	28	–4	Canada	2005	39	36	–4	Latvia
2005	33	28	–5	Poland	2014	38	36	–2	Lithuania
2017	29	29	0	Hungary	2013	40	38	–2	United States
2012	31	29	–1	France	2018	41	40	–1	Bulgaria
2005	32	29	–3	Ireland	2019	42	42	0	Turkey
2019	30	30	0	Germany	2014	46	42	–4	Mexico
2019	31	30	–1	Netherlands	2009	48	46	–2	Chile
2013	36	31	–5	Estonia	2006	51	48	–3	Brazil
2017	33	31	–2	Luxembourg	2020	50	49	–1	Costa Rica
2005	35	31	–4	Greece	2011	50	50	0	India
2004	38	31	–7	Portugal	2011	51	51	0	China
2019	32	32	0	Switzerland	2015	63	62	–1	South Africa

Source: <https://data.oecd.org/inequality/income-inequality.htm> (accessed 5 December 2022).

Table 3 ranks all countries in the OECD according to the latest measure of income inequality. In most cases that is for 2019, just before the pandemic began (OECD 2022). As I write, only two countries have released data for 2021, the United States and Costa Rica, and in both cases income inequality fell compared with 2020. Of the eleven countries that had released data for 2020, in eight cases inequality had fallen compared with 2019, in one there was no 2019 figure, and in only two cases had it risen slightly (Norway and Latvia). However, in both of these latter two cases, as Table 3 illustrates, the level of income inequality is even lower most recently than it was in its highest year in this period. In fact, it is lower or equal in *every single country in the OECD, without exception*. Income inequality by the OECD measure did not rise anywhere over this period.

Other sources will give different results. For instance, the United Nations University suggests that income inequality is rising in India, and the last year for which the OECD report data for India is 2011, but that same UN source also suggests it has fallen in very recent years in China, too (by more than Table 3 implies), although it is still very high (UNU-WIDER 2022). In China, health care and access to it are people's main concerns when surveyed, while the cost of living is less of a concern. Inequality worries people there greatly, but it is possible that government action is finally beginning to help reduce that scourge (Chinese Social Survey 2022).

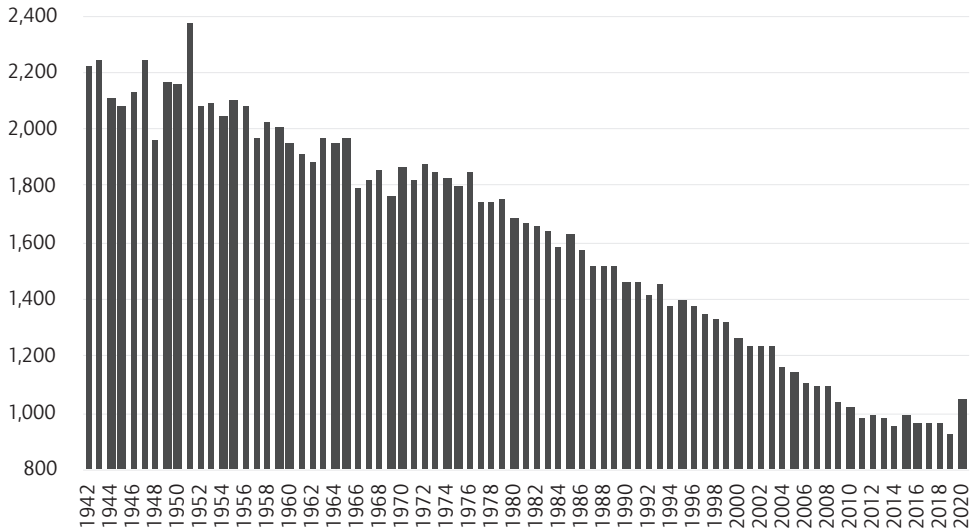
Of the 44 countries for which the OECD reports data, income inequality reached its maxima between 2002 and 2015 in 30 of them (mostly before 2010). In the remaining 14 it is lower now than it has been. Inequality has fallen everywhere, although often by only a very small amount as yet. This is not widely recognised, but it does matter as we enter more deeply into the cost-of-living crisis. The crisis would be far harder to bear if it had not fallen, almost everywhere, at least by a small amount.

What happens next? If countries manage to increase welfare payments and state pensions by the rate of inflation, they will not rise in real terms, but neither will they fall. Although inflation does affect different social groups differently and has tended to be highest for the poorest, if pay deals are progressive, with the highest pay rises generally being for lower paid workers (even if below inflation), then overall income *equality* will rise even as almost everyone becomes poorer. However, the best-off are most insulated from the effects of cost-of-living rises and are in least need of a pay increase of any kind. Furthermore, if the value of private pensions falls, and housing wealth also declines, then it is very possible that the current crisis will be more like the crises of the 1920s and 1930s, which saw inequalities fall, although that was not much noticed at the time. Comparisons with the 1970s may be less appropriate.

We are still learning a great deal. The pandemic has raised the question of when coronavirus pandemics last arrived in the world and what effects they might have had. These were effects which, at the time, were mistaken for influenza. The most recent paper (Forni et al. 2022) that dates the arrival of previous coronaviruses still in widespread circulation – now seen as common cold viruses – gives the following ranges for the most likely dates of the three most recent introductions: 1950 (HCoV-229E), 1968 (HCoV-NL63) and 1963 (HCoV-HKU1), (on the latter date, see Forni et al. 2022, supplementary material, p. 11).

Figure 5 shows mortality rates each year in England and Wales, standardised according to the 2013 standard European population (ONS 2021). The rapid fall seen to varying degrees across Europe, as well as in the United Kingdom, is very obvious; and so is the increase in mortality caused by the pandemic in 2020. Measured in this way, however, it is also clear that mortality during the first year of the pandemic was much lower than was usual before 2009.

Figure 5 Mortality rates in England and Wales, 1942–2020 (age-sex standardised)



Source ONS, 2021.

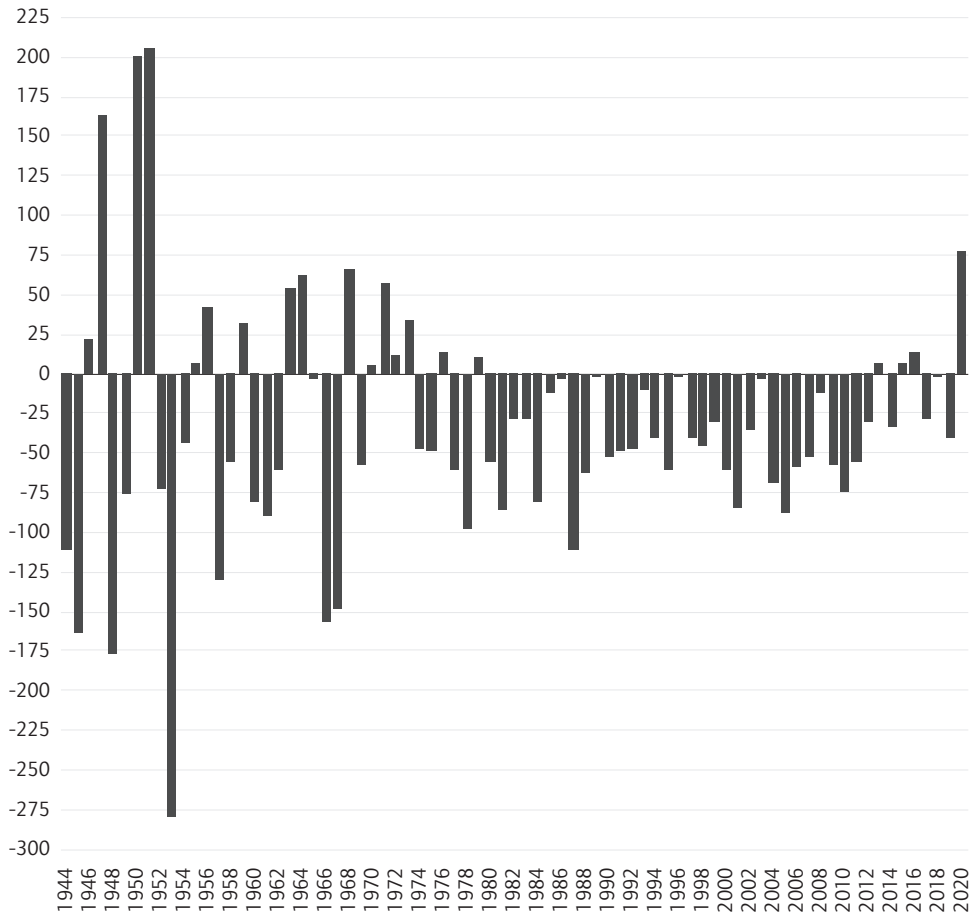
What is more interesting in Figure 5 is the change between years, or rather between one year and the level two years earlier. Mortality rates standardised by a set population, as in this case, are comparable over time and also between countries. It is best to compare with two years earlier, as comparing with the directly preceding year can exaggerate the apparent importance of differences due mainly to the timing of the onset of winter. If winter comes late one year, including deaths from cold and from respiratory diseases, then it can appear that there has been a great increase in mortality compared with the year before, when this has not actually happened. Figure 6 shows what the change-over-time trend is when measured from two years earlier.

Figure 6 shows that for a great many years – all of 1980–2021 – mortality was always lower each year compared with two years earlier. In 2013, 2015 and 2016 it was higher because of the effects of austerity, which were very significant and have so far led to more premature deaths than the pandemic (Dorling 2022b). In Britain, the introduction of austerity ended the general improvement that had been experienced in most years since at least the Second World War (and before). However, the arrival of the pandemic was even more abrupt and so the increase seen in 2020 at the very end of Figure 6 is very clear. It was not, however, a much greater increase than the one seen in many years in the 1960s and a few in the 1950s.

Because we now know what a coronavirus pandemic is like, it is very easy to imagine how many people suffered from the arrival of one or more coronavirus pandemics in the 1950s and 1960s, and how we may not have realised it at the time. There were far fewer very old people alive then, the group most at risk. For some of the early spikes shown in Figure 5 we know some of the reasons why mortality was rising. February 1947 brought the coldest winter then on record to England and Wales; but the big freeze of 1963 was



Figure 6 Mortality change in England and Wales, 1942–2020  
(age-sex standardised over two years)



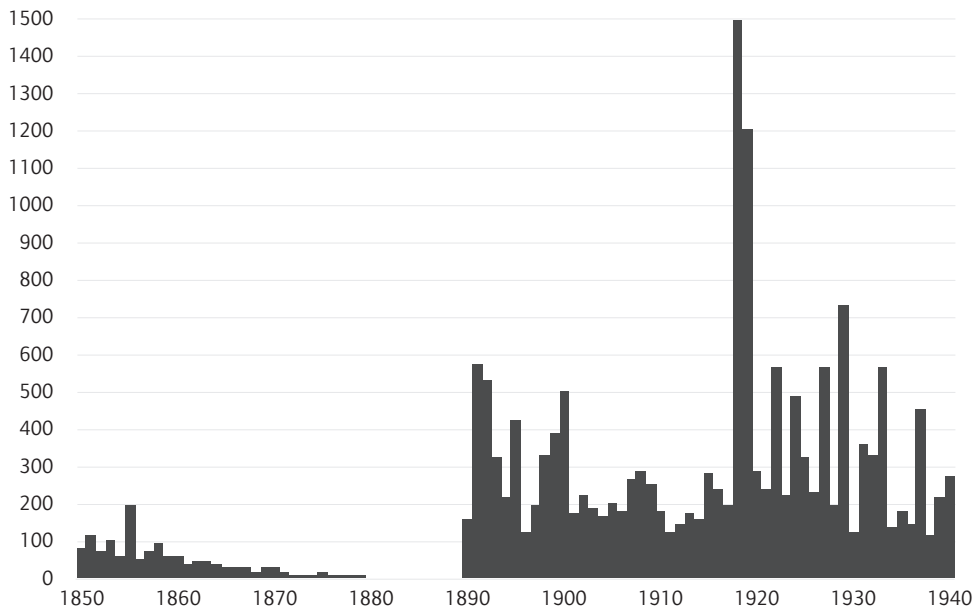
Source: ONS, 2021.

even colder (the coldest since 1740 in some places). There was what was at the time assumed to be a very bad influenza epidemic in England and Wales in 1950/51, much worse than the 1957 pandemic in its overall effects on the United Kingdom. There was also a worldwide influenza pandemic in 1968 which twice returned a few years later. And we would now expect the heat wave of 1976 to have hastened some deaths (as occurred later across Europe in 2003 when its health effects were far better measured). In the midst of all those events, the arrival of a new disease could easily have been missed. This was when the influenza virus had only just been identified and only it, initially, could be recognised as being new. We did not identify coronaviruses until later, and then only haphazardly, not as they actually arrived. The ONS data released in 2021 uses the best estimates for underlying population at risk and so differs from the dataset that the World Health Organisation uses for the 1960s, so previous pandemics could have been missed because of poor population data. There were also years of very erratic migration in the

1960s, which would affect any estimates made using lower quality data at that time. It is hardly surprising, then, that we did not see the rise in mortality in 1963 and 1964 as especially unusual during those years, or think that the other years in which mortality rose after that might have been connected to events then. In clearer terms, we may have lived through something similar before, but which was far less deadly as there were far fewer older people then who would have been at the greatest risk of premature mortality.

As Forni and his colleagues state in their paper, if a coronavirus new to humans emerges at the same time as an influenza pandemic, it may simply be due to chance: ‘The frequency of flu pandemics in the 19<sup>th</sup> century also suggests that the concurrence of HCoV-OC43 emergence and the Russian flu pandemic may be due to chance’ (Forni et al. 2022). The Russian Flu of 1889 was devastating across Europe, and the effects lasted for many years. It is now thought very likely that what actually lingered was not the flu, but the newly introduced and repeatedly recurring HCoV-OC43 virus. Figure 7 shows why that is. After 1889, deaths were far more likely to be attributed to influenza than previously. In some years the cause was due almost entirely to influenza (such as in 1918/1919), but in other years the lingering coronavirus pandemic that could have been transmitted to humans in the 1880s or the 1890s may well have been the key cause of higher mortality after 1889. This matters today because we need to try to understand just how long a coronavirus pandemic can last and with what longer term effects. Only a minority of people in the world are vaccinated today, and people in Europe may become more relaxed and less assiduous about taking their booster vaccinations if they come to believe that the pandemic is over. It is older people, aged 50 and above, who most need to continue to be vaccinated.

Figure 7 Influenza deaths per million people, England and Wales, 1850–1940

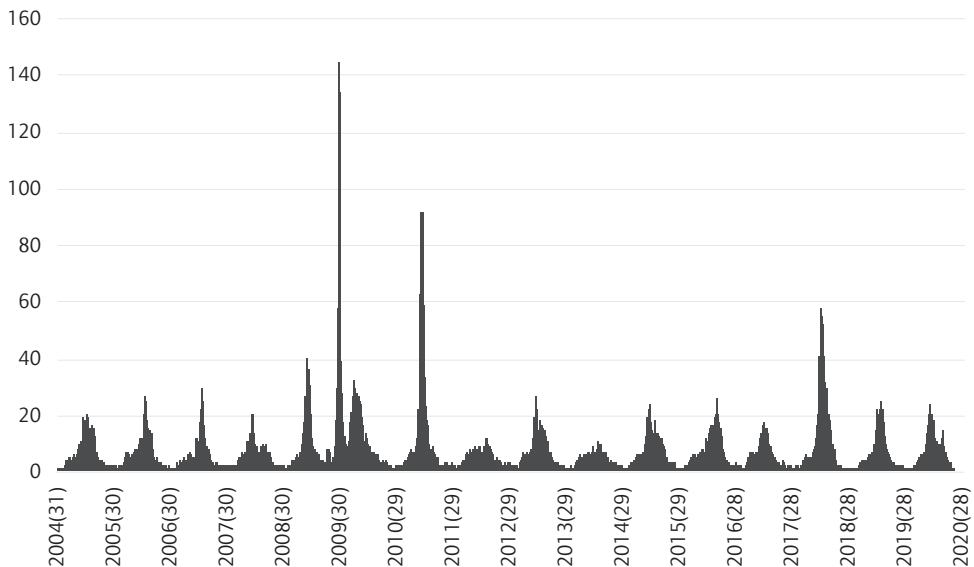


Source Andrewes, 1942. Re-drawn from the original data.

### 3. What happens as a pandemic wanes?

Figure 8 shows the decrease over time in the influence of flu-like disease on mortality trends in England. We might well be wise to expect the same generally slow decline in future decades, although the availability of vaccines should dramatically reduce mortality from the new disease in future. But it appears very unlikely that we will be able to prevent the disease from continuing to circulate. Hopefully, though, we will eventually accept it as another ‘common cold’ – although we may take common colds more seriously in future than we have in the past.

Figure 8 Influenza-like illness (ILI), 2004 to 2020, England



Source: <https://www.ons.gov.uk/visualisations/dvc1026/fig6a/wrapper/datadownload.xlsx>, and for a longer times series see: Fleming and Elliot, 2008.

In the years to come we are likely to become more ill, more often, than in the years before 2020. We will need health services that can cope with this, social services that are better aligned with those health services, and to prepare the middle aged for an old age that may be a little more illness prone than previously. We will be asking more of the young than we were planning to. In this changed environment the need for solidarity is even greater than it was before.

We do not know what the economic and social repercussions of the continuing pandemic will be. The cost-of-living crisis may well be just one of many implications that we did not see coming. It is unlikely to be the last. In return for requiring more from the young in future we need even more urgently to address the inequalities in our societies that affect younger people in particular. Not only must income inequalities keep falling, but also action must be taken to bring down wealth inequalities. Falling house prices, or not rising much, when inflation is high, can be the beginning of that process but there

is a very long way to go. Leaving such a readjustment to the vagaries of the market is likely to prove very inefficient.

The welfare state must be strengthened to cope with the coming times, including the higher rates of illness to be expected. Housing has to be made more affordable by better rent regulation so that younger people in work are not exhausted simply by trying to pay the bills. Their wages have to rise to such an extent that they more than cover the ground lost by rising prices. The money to pay for this will come from the old and the rich. There is no other source. And it is those countries of Europe that already redistribute best, and which do not allow inequalities to rise so much in the first place, and which have educated their young people most equitably and well, that have dealt with the pandemic best so far. The more inequitable countries of Europe need to learn from the more equitable. And the more equitable need to be more confident in what they have already achieved and can achieve in our new future with, for many years to come, a significantly higher burden of disease.

#### **4. Conclusion**

As Europe enters the second year of its cost-of-living crisis some countries are in a very much better position to weather the storm than others. In the United Kingdom, for example, average real wages remain well below their 2008 peak, and have done so every year since the financial crisis hit. They now look set to remain lower than they were in 2008 for many years to come. That is not inevitable, but a choice. Average wages could be higher than they were in 2008 if wages at the very top were lowered. Among large European countries Italy does almost as badly as the United Kingdom in this regard. In other countries in Europe, however, a far more equitable shouldering of the burden was arranged in which public spending grew when GDP fell as a result of the financial crisis, and in the best cases wages rose more than profits.

It is far too early to write off the pandemic. Just as we don't currently understand how important it might have been in driving the cost-of-living crisis, we also do not understand its implications for wealth distribution, housing markets, or the burden on health care for years to come. We have an ageing population that now has a new disease to deal with. Vaccinations do not work for everyone, and not everyone chooses to be vaccinated. The disease will almost certainly continue to circulate unless a new coronavirus suddenly emerges that out-competes it, and that may not be good news. However, new viruses emerging in human populations are thankfully still quite rare events and are not becoming more common, even as our numbers on the planet have expanded so greatly. We can plan for a better future and need not be overly concerned about external events. Most of the harm that we suffer we inflict on ourselves by not organising our societies better. More people die in Europe from austerity, poverty and inequality than disease, even during the worst pandemic years.

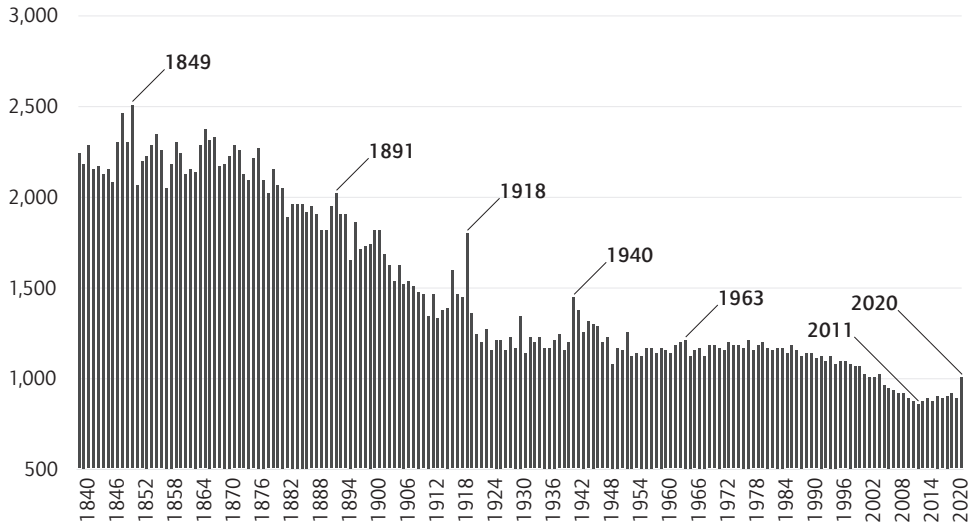
We need solidarity-based societies to live well, and now more than ever to cope with all this uncertainty. Increasing income equality is now essential in tackling the adverse effects of the cost-of-living crisis. Increases in wealth equality must follow, not only as

a result of increases in income equality but also because inflation destroys accumulated wealth, especially if house prices fall. But all this will have to be fought for, too. We cannot simply rely on events improving our living conditions and reducing inequality. The pandemic and the subsequent cost-of-living crisis have provided further evidence that the Nordic countries, now joined by a growing number of more equitable countries in Europe, tend to suffer far less in both good times and bad as a result of the societies they have built. The social and economic policies more progressive governments have introduced across Europe to help to deal with the crisis can now be assessed. Even the British, for a time, introduced what more progressive European countries already consider normal, in the form of so-called furlough payments of 80 per cent of the usual wage if a person was unable to work. It took a pandemic for Britain to do that, but other new possibilities are being introduced in other places as a response to the current crises.

One example is the solidarity wealth tax introduced in Spain in 2022. Another is the control on food prices introduced in Greece in recent years, including basic foods in cafes. Also in this category are the transport policies introduced in France, Austria, Germany and Italy and now many other countries, to make travelling by train cheaper as fuel prices rise. Planned public spending in general, as a proportion of GDP for 2023, is as follows: France and Belgium will spend 55 per cent of their GDP on public services, followed in descending order by Finland, Greece, Austria, Denmark, Norway, Sweden, Germany, Spain and finally both Portugal and the Netherlands at 45 per cent. The United Kingdom is way below this at only 41 per cent (Hiam and Dorling 2022).

Finally, we should take the long view. As Figure 9 shows, what our great grandparents and their parents lived through was far more erratic and unpredictable than our times have been. Even our parents (for those of us who are old enough) lived through times which were so much more eventful than today. As this chapter has illustrated, it is quite possible a new disease arrived worldwide between 1949 and 1963 and no one much noticed – a disease initially just as deadly as the one which has disrupted our world so much over the past few years. We are still learning and we have much to learn. In years to come people may look back on the new disease which first hit European ski resorts and the wealthiest parts of cities in early 2020, the places tourists and business people flew to, and say that that was when the great change began. Figure 9 shows the great decreases in mortality from around 1849 onwards – when the rich were last most affected by a disease relatively new to Europe, namely cholera – which came with the introduction of public sanitation and sewage systems. It also shows the long-term effects of the introduction of the welfare state after the Second World War, in the curve downwards in mortality rates for decades after its introduction. And it shows the cruel results of the attempts made to dismantle that welfare state in England and Wales most recently ('austerity'), as mortality rose again. What happens next to that 180-year timeseries will depend, above all else, on what we now do, across all of Europe, as well as within the United Kingdom. We can again live longer, healthier and happier lives. It is up to us.

Figure 9 Crude mortality rates, England and Wales, 1838–2020



Source ONS, 2021.

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## Chapter 2

# Inequality in the green transition

Béla Galgóczi

### Introduction

This chapter takes a close look at inequalities in the green transition in the context of the so-called ‘polycrisis’. This picks up the thread of Fineman’s (2021) reflections on the discriminatory impact of recent systemic shocks, such as the financial crisis of 2008–2009, the Covid-19 crisis and now the cost-of-living crisis, and how they exacerbated existing embedded patterns of social disadvantage and generated a range of ‘exponential inequalities’.

We are facing a new constellation of cumulative inequalities in the climate–environment–social nexus for which we simply do not have adequate policy tools. This is mainly because of the complex ways in which these inequalities are related and how intertwined they are. The idealistic vision of a ‘just green transition’ outlined in, for example, the ILO’s (2015) Just Transition Guidelines claims that a transition to a zero-carbon economy can be achieved in an equitable way and that entrenched inequalities can also be addressed. In this ideal scenario the process would move from the current unequal carbon-intensive and resource-depleting economy to a more equitable zero-carbon and sustainable one, and the transition itself (with its often disruptive effects) would not create new sources of inequality. While change is inevitable, recent history shows us that all changes and shocks tend to generate further inequalities. This chapter will address multiple inequalities in the context of climate change and the green transition. Without addressing these and at the same time avoiding new forms of inequality, the existential threat of climate change cannot be properly addressed. The aim of this stock-taking is not to come up with a transformative grand solution, but to identify the main challenges and policy gaps and generate some policy recommendations, as well as to raise questions for further research.

Section 1 draws some lessons from the pandemic on the enhanced role of the state and inequality. Section 2 provides an overview of different dimensions of inequalities in the climate–environment nexus with reference also to the cost-of-living crisis. Section 3 provides a case study on electromobility, illustrating how a technology-based approach to the green transition can generate further inequalities. Section 4 examines how applied policy tools and just-transition approaches are targeting individual manifestations of inequality in line with advocacy group interpretations. The concluding Section 5 argues that addressing one type of inequality can have knock-on effects on other inequalities (even making them worse) in the absence of an integrated and comprehensive approach. A conclusion follows, incorporating policy options ranging from a redesigned welfare state and universal basic services to price regulation and rationing.

## 1. Lessons from the pandemic

The pandemic demonstrated that, although challenging, it is possible to mobilise collective action and implement policies to deal with acute crises. In the case of the climate crisis, however, in relation to which cause and effect are distant from each other in both time and space, and links between collective and individual risks are not so apparent, this becomes more difficult. This ‘time and space lag’ also partly explains why raising awareness of the costs of inaction is more challenging. While no (or less ambitious) climate action will have dramatic effects on future generations, at-risk regions and vulnerable people in particular, it is not perceived as an imminent danger. This contrasts starkly with the immediate effects of a ‘lockdown’ on contagion rates and deaths. On the other hand, the effects and social ‘costs’ of climate change mitigation policies (including employment and distributional effects) manifest themselves in the here and now. If a coal mine is closed down to reverse global warming, redundancies and job losses materialise immediately, while the benefits will be experienced only in the distant future. One lesson from the pandemic was that despite determined state action to address the health crisis, and active intervention to fend off the economic effects, inequality has increased in several dimensions. How can policymakers then deal with the more complex challenge of climate change and environmental degradation, when the complete economic and consumption model needs an overhaul.

A large body of literature demonstrates how the pandemic has both created new inequalities and exacerbated existing income gaps between and within countries (Deaton 2021; see also the chapter by Dorling in this publication).

### 1.1 Unequal effects of the pandemic and its aftermath

The World Bank (Gopalakrishnan 2021) has documented the rise of inequality along a range of measures, from uneven economic recovery and unequal access to vaccines to the increasing indebtedness of poorer countries. It has also shown the widening income losses by income decile and the divergence in learning, demonstrating that the Covid-19 pandemic had a disproportionate impact on the poor and vulnerable in 2021. The World Health Organisation (WHO 2021) stated that at the global level more than half a billion people were pushed or pushed further into extreme poverty by health care costs.

The pandemic has also exacerbated pre-existing inequalities in the labour market, largely because the ability to work remotely is highly correlated with education, and hence with pre-pandemic earnings (World Bank 2020; Sostero et al. 2020). In developing economies, the same labour market forces are turbocharged by informality: lower-skilled workers are predominantly informal and thus have no access to furlough programmes or unemployment insurance (Ferreira et al. 2021).

Given pre-existing racial and gender occupational differences, the exacerbation of these labour market inequalities is also likely to have translated into even greater racial and gender disparities in many countries.

## 1.2 Remote working during and after the pandemic

The trend for workers in certain occupations, particularly those with high skills, to work from home (home office) has been another source of inequality during the pandemic. Certain occupations in, for example, health care, many services, public safety, restaurants, repairs, maintenance and transport cannot be practiced remotely. The rift between home office workers in well-paid high-skill occupations and these necessarily in-person occupations could lead to a kind of embedded inequality between occupations and regions. There are already clear differences between regions in the United States and Europe regarding the prevalence of home office working. A new urban/rural divide has been emerging (Brynjolfsson et al. 2020; Eurostat 2022). As remote working gains ground even in the wake of the pandemic, expanding to encompass broader swathes of the workforce, it will have longer-term effects on inequality. Given the general increase in more precarious work forms as a result of outsourcing and platform work, a process in full swing even before the pandemic, it is worth pursuing the link between remote working and a decline in the prevalence of regular employment contracts in the types of occupations that have been affected by the more recent shift to home office and decentralised work cooperatives (Brynjolfsson et al. 2020).

The benefits associated with being able to work from home also potentially exacerbate existing or emerging inequalities (Sostero et al. 2020). While evidence points to a strong association between income levels and the possibility of remote working (Dingel and Neiman 2020), existing inequalities make it harder to assess the environmental impacts of remote work.

An important lesson from response measures to the economic effects of the pandemic with relevance to both the cost-of-living crisis and the green transition concerns the side effects of blanket measures. In response to the widespread economic collapse in 2020, the world's key central banks further loosened monetary policy, injecting enormous amounts of liquidity into financial markets. While these broad-based stimulus measures and monetary policy interventions were well-intentioned, and helped to prevent bankruptcies and preserve jobs, they inflated the value of assets held primarily by rich people. Capital markets have also played a role in generating inequality during the pandemic, particularly at the top. While this additional liquidity was not immediately translated into goods price inflation, it has contributed significantly to the inflationary shock waves triggered by the energy price rises caused by Russia's invasion of Ukraine. It hardly needs adding that spiralling inflation in 2022 affects the poor and the vulnerable most, thereby further aggravating inequality.

All this means that discussing 'inequalities' in the context of climate and environmental action is an extremely complex task, fraught with challenges and often contradictions in terms of the timeframes associated with particular decisions.

## **2. Inequalities in the climate–environment–social nexus**

Inequalities within the climate–environment–social nexus are complex and cumulative, with several dimensions and layers, some conflicting. The main dimensions range from responsibility to exposure and vulnerability (to both climate change and pollution), adaptation capacity and mitigation policies for their employment and distributional effects (for more on this see Galgóczi and Akgüç 2021). All these dimensions are linked to inequalities in income, wealth, spatial characteristics, housing and employment, and correlate with age, gender, skills and racial (ethnic) characteristics. What makes this constellation even more challenging is that the forces driving these inequalities have different time horizons and geographical spread. Cause and effect are direct and readily identifiable in some cases, but indirect and obscure in others.

### **2.1 Main dimensions**

#### **2.1.1 Carbon (footprint) inequality**

Carbon footprint (CO<sub>2</sub>-equivalent emissions per capita) is the main indicator of responsibility (of individuals, states or companies) for causing climate change. Its distribution is extremely unequal both within and across countries. Nearly half of global cumulative CO<sub>2</sub> emissions since 1850 were emitted in just 25 years between 1990 and 2015, with the richest 10 per cent of countries responsible for 52 per cent (Gore 2020). Furthermore, the richest 1 per cent of the world population alone (around 63 million people) were responsible for 15 per cent of cumulative emissions. At the same time, the poorest 50 per cent (around 3.1 *billion* people) were responsible for just 7 per cent of cumulative emissions. For the EU, a study by Ivanova and Wood (2020) showed that while the top 1 per cent of emitters had a carbon footprint of 43.1 tonnes CO<sub>2</sub> per capita in a year, that of the bottom 50 per cent of emitters was only 4 tonnes.

#### **2.1.2 Unequal impacts of climate change – exposure, vulnerability and adaptation capacity**

The differential effects of climate change and extreme weather events will be a major source of inequality. Climate models and forecasts for Europe also show that the effects will be very uneven (European Commission 2021). This, coupled with inequality of adaptation capacities, makes poorer societies and poorer households more vulnerable. Lower income individuals also tend to have occupations that are more exposed to climate change, and their housing conditions make them more vulnerable, too (for example, inner city ‘heat islands’ versus green belts). Responsibilities and impacts often work in opposite ways, constituting a ‘double injustice’ (Walker 2012).

#### **2.1.3 Inequality of exposure to environmental harm**

A recent analysis by the OECD (2021) shows that the impacts of environmental degradation are concentrated among vulnerable groups and households. Poorer health, limited access to good quality health care, and a lower ability to invest in defensive measures increase the vulnerability of low-income households to air pollution and

climate change. A UN report (Achiame 2022) highlights the racially discriminatory and unjust roots and consequences of environmental degradation, including climate change.

### 2.1.4 Inequalities during the green transition

Climate policies will continue to have a major effect on the world of work. Millions of new jobs are being created in the transition to a net-zero carbon economy, but millions of jobs will also disappear. The majority of jobs will go through a fundamental transformation. This unprecedented wave of restructuring will have unequal effects on many fronts, including skills, gender, age, economic activity and region.

The energy and automotive sectors will be hardest hit by the decarbonisation drive from climate and environmental regulations at European and national levels. In the coal-based power sector the majority of currently existing jobs will disappear in a decade. This constitutes a small fraction of EU jobs but will have significant regional impact (Alves Dias et al. 2021).

The automotive sector, with a more than 5 per cent share of total European employment, is a key employer and the electrification of the powertrain will require less labour input (Bauer et al. 2020). The only certainty is that the changes will be on a massive scale; up to three million jobs will be fundamentally transformed in terms of skills and competences (Kuhlmann et al. 2021). Decarbonisation and digitalisation will reshape international value chains, bringing great uncertainty for the future economic viability of locations all over the world. Plant-level case studies also reveal that the people negatively affected by restructuring tend to have irregular contracts with precarious jobs (Sonzogni and Schulze-Marmeling 2019).

Concerns about inequality in low-carbon transitions also include the inequitable distribution of benefits. Studies indicate that marginalised groups hardly benefit from job creation in the US renewable energy sector, with low representations of women and people of colour (E2 2021).

While market mechanisms – such as the EU Emissions Trading System (EU ETS) – that set price signals for market actors are important in changing investment and behavioural patterns, they have significant regressive distributional effects, disproportionately affecting low-income households (Cabrita et al. 2021). Feed-in tariffs with higher electricity prices to finance investments in renewables, for example, hit low-income households hardest (Zachmann et al. 2018). Even before the price hikes from late 2021 and the price explosion because of the war in Ukraine, energy poverty was at an alarming level in many EU Member States. Poorer households also have less capacity to change to low- to zero-carbon options, such as electric vehicles, rooftop solar panels or heat pumps (Galgóczi and Akgüç 2021). Uneven distributions of low-carbon energy technologies and rising electricity prices raise significant concerns for environmental and energy justice (Kelly et al. 2020).

## 2.2 Cost-of-living crisis

The ‘cost-of-living crisis’ triggered by the runaway fossil fuel energy prices amplifies these inequalities further. Trends indicate that the effects of higher energy costs are harshest for vulnerable lower income groups, while richer households may even increase their consumption and carbon footprints (as, for example, fast-growing civil aviation and SUV sales show; IEA 2022a). The main factor that limited further increases in global GHG emissions in 2022 is slower growth of output and energy use, with dramatic effects on the poor.

The positive message of the IEA Energy Outlook (2022b) was that even if 2022 was about to bring further growth in global emissions, a significant moderation was likely compared with earlier forecasts. While the record deployment of renewables (as one driver of the moderation) is indeed good news, the net positive effect on global emissions from slower growth because of the war in Ukraine is not. While the world may ‘need’ a cost-of-living crisis to avoid another jump in emissions (because lower growth entails less fossil energy use), it also highlights the limited achievements of climate policy efforts. This is bad news from a climate policy point of view, but even worse from a social one. Further details from the IEA report show that aviation has become an important driving force of emissions increases and while a record rise in electric vehicle sales has had a significant impact on road transport emissions, the similarly record sales of powerful and expensive SUV cars have cancelled out any improvements. Both trends indicate that the carbon footprint of the rich is less affected by the global slowdown. The apparent outcome is that while the ‘cost-of-living crisis’ may bring some incremental improvement in emissions, it aggravates inequalities, with devastating social effects. We also saw this pattern in the financial crisis, as well as in the pandemic.

Europe is trying to perform a balancing act of maintaining its climate ambitions while at the same time addressing the social emergency posed by the cost-of-living crisis. Speeding up the green transition while addressing the injustice of those with the lowest carbon footprints suffering most from the effects of energy price increases (because they can least afford to shift to low carbon technologies) is a formidable task.

Energy poverty was already significant before the dramatic price increases, as data for 2021 show. For the EU27, 6.9 per cent of the total population or 30.8 million people could not afford to keep their homes adequately warm even before energy prices started to soar. Furthermore, 16.4 per cent of those at risk of poverty were unable to maintain an adequate home temperature, while in Greece, Bulgaria and Cyprus up to 50 per cent of poorer households suffered energy poverty. Allianz Research (Holzhausen 2022) has calculated that the number of households in energy poverty in the EU27 had increased by more than 50 per cent as of June 2022. While exact numbers were not presented, this would mean that by mid-2022 more than 45 million people in the EU were living in energy poverty. According to Allianz estimates the share of the population facing energy poverty was expected to double by the end of 2022 compared with 2021. This forecast would mean that more than 60 million people in the EU face energy poverty.

Most EU Member States have implemented tax cuts on energy and have also introduced price reductions or control measures on retail energy prices. Most Member States have also targeted measures on vulnerable (low income) groups, although often as an afterthought and not to any great extent. Available overviews of national policies (Sgaravatti et al. 2022; Eurelectric 2022) indicate that broad-based measures have been dominant, which does not benefit either climate and environment policy or equity objectives.

Member States have very different fiscal capacities to pursue such measures, posing a risk of widening disparities and raising important questions about European solidarity.

With regard to the multiple dimensions of inequality, in the absence of a robust social dimension we face a triple injustice: those least responsible for causing climate change and most vulnerable to its effects are likely to be more affected by necessary mitigation policies (in terms of employment and distributional effects) *and* can least afford low carbon technologies to end their reliance on fossil fuel.

### **3. Clean energy investments and inequality**

This section presents a case study of the mobility transition to demonstrate how the lack of a properly balanced regulatory framework in the course of an essential transformation can exacerbate inequalities. It is a fundamental challenge for the green transition to determine the policy mix that can achieve its climate and environmental objectives in an equitable way. Technology is certainly part of the solution, but it is inherent in technological change that those who can afford new – in this case, low-carbon – technologies are likely to derive the initial benefits. Also key to the policy mix are market-based signals and incentives, from emissions trading systems to the price of energy, fuel or organic food. These also exacerbate existing inequalities.

Here we present the case of technology-driven clean mobility and show how it creates new divisions.

Until 2014, investments in clean energy were almost synonymous with investments in renewable energy, as the energy transition was concentrated in the power sector. Investments in electromobility were a negligible part of the global energy transition. This picture has changed dramatically in the past couple of years, and this also has important consequences for inequality. By 2021/22 investments in electromobility became the driving force of the energy transition. While the whole of society benefits from expanding renewable energy generation capacities in terms of both CO<sub>2</sub> reductions and affordability, investments in electromobility, while certainly essential and beneficial for CO<sub>2</sub> reductions, tend to benefit higher income people and countries.

According to BNEF (2022), in 2021, global investment in the low-carbon energy transition totalled USD 755 billion, up from USD 595 billion in 2020. This includes investment in projects such as renewables, storage, charging infrastructure, hydrogen production, nuclear, recycling and Carbon Capture and Storage (CCS) projects, as well



as end-user purchases of low-carbon energy devices, such as small-scale solar systems, heat pumps and zero-emission vehicles. From the standpoint of broad economic sectors, the largest sector in 2021 was still renewable energy (USD 366 billion) with an increase of 6.5 per cent from 2020. The most dramatic change, however, has been in the electrified transport sector, which showed a 77 per cent increase and came a close second after renewables with investments of USD 273 billion.

BNEF data also show that it is particularly in Europe that clean energy investments shifted most from renewable energy generation toward electromobility, and by 2021 the latter made up the bulk of its USD 154 billion total energy transition investments.

### 3.1 Clean mobility progress also drives inequality

According to ACEA (2022a), in the second quarter of 2022, sales of battery electric vehicles (BEV) continued to expand in the EU, accounting for 9.9 per cent of total passenger car registrations, while plug-in hybrid cars accounted for 8.7 per cent. East–west divisions were enormous, as 96 per cent of fully electric vehicles were sold in the 14 Member States that were EU members before 2004 and only 4 per cent – 17,700 vehicles – in Member States from central and eastern Europe (although there was a dynamic increase there, too).

From a global perspective the unbalanced nature of the mobility transition is striking. Global passenger EV sales keep on climbing, and in 2022 they were expected to reach a record 10.6 million, an increase of over 60 per cent from 2021 (BNEF 2022b). China has been the main driver, with battery electric vehicles accounting for one in five passenger cars sold in the second quarter of 2022. Electric car sales in China are forecast to hit 6 million in 2022 to make up 60 per cent of global sales. Electric car sales (BEVs and PHEVs) have also exploded in Europe in recent years, totalling to 920,000 vehicles sold in the first half of 2022 (BNEF 2022b). China and Europe accounted for 84 per cent of EV sales in this period, and with the United States, these three regions made up 95 per cent of worldwide sales. This also shows that the bulk of the world population is still excluded from this development (BNEF 2022b).

Inequality is further exacerbated by the fact that cars are becoming bigger, faster, heavier and more expensive. Electromobility is not only unaffordable for most people, but it is getting ever more unaffordable. In part due to EU regulations on car emissions standards that allow higher CO<sub>2</sub> emissions for larger cars (weight-adjusted CO<sub>2</sub> standards) new cars sold in Europe in the past decade have been getting heavier, more powerful and more expensive (see more in Pardi 2022). Ever bigger electric and plug-in hybrid cars also need bigger and heavier batteries, which depletes material resources and may trigger increasing geopolitical conflicts and exploitation of vulnerable populations, mainly in the Global South.

There are two main reasons why unaffordable electric vehicles may be a serious problem. First, it might create a two-class mobility system, as only those who can afford the high entry costs can benefit from individual mobility, with public transport becoming



the default option for the less well-off. This is all the more worrying as investments in public transport infrastructure had been neglected for decades (Greenpeace 2022). European transport networks are fragmented, in particular the railways (European Commission 2018). Secondly, under these conditions, changes to the vehicle fleet in the EU that would involve the replacement of tens of millions of polluting cars with electric ones within a limited period of time do not seem achievable.

#### **4. How have climate, environmental and social inequalities been addressed by social movements and 'just transition' policies?**

Social movements, NGOs and trade unions have tended to focus on one particular form of inequality, while neglecting others and the interlinkages between them. Some have focused on vulnerability and exposure to environmental hazards in seeking environmental justice, while others have thematised climate justice in the global context. Trade unions have focused mainly on jobs in the context of restructuring as a result of necessary decarbonisation and have contributed decisively to the emergence of the concept of just transition. In the absence of an integrated 'just transition' policy framework with an active role for the state, multidimensional and interlinked inequalities in the climate–environment–social nexus cannot be addressed properly. As demonstrated below, what remains is a fragmented patchwork of 'just transition' initiatives.

##### **4.1 Advocacy groups**

###### **4.1.1 Environmental justice**

From early on, the concept of *environmental justice* focused on various equity issues related to local population exposure to environmental hazards. Research addressing 'environmental equity', for example, claims that hazardous waste facilities are located disproportionately in minority areas. While the predominant issues of the Environmental Justice movement in the United States are race and environmental inequality (Mohai and Saha 2015), in Europe the focus has been on poverty, health inequalities and social exclusion (Wilkinson and Pickett 2018). A recent UN report (Achiume 2022) claims that the devastating effects of ecological crisis are borne disproportionately by racially, ethnically and nationally marginalised groups, in other words, those facing discrimination, exclusion and conditions of systemic inequality because of their race, ethnicity or national origin and are disproportionately concentrated in global 'sacrifice zones'. From the beginning the trade union movement has had a core interest in health and safety issues in and around the workplace (Rector 2017), but their focus on local environmental hazards with less emphasis on broader planetary dimensions has also met some criticism (Mandelli 2022).

#### 4.1.2 Climate justice

Interpretations of ‘*climate justice*’ draw on the legacy of ‘radical environmentalism’ and focused initially on the Global South–North perspective (Labour Network for Sustainability 2017), recognising the asymmetry between responsibility and vulnerability in the context of climate change (Gore 2015).

Over time the ‘climate justice’ narrative – predominantly in the Global North – has been extended to cover also the unequal effects of policies set up to control climate change, although with some inconsistency in both the literature and policy documents. Distributional effects of climate policies have been addressed in theories of climate justice and in models of burden-sharing between different actors (Koch and Fritz 2014).

There is a complex relationship between climate and environmental justice, with overlapping interpretations. They are often even used as synonyms. Environmental justice concerns and actions often act as a catalyst for climate action, as protests at coal mines (Bergfeld 2019) or actions against air pollution in cities show. The latter played a key role in sparking the ‘Diesel scandal’ that kicked off the fast-track transition to electromobility.

#### 4.1.3 Social justice

Trade unions have been the main advocates of social justice, fighting for a fair share of created wealth for workers. In the early twentieth century the welfare state was established as an institution that favours economic growth and the maintenance of income and therefore consumption. Its aim was not to change behaviour but to maintain it, with a focus on redistribution.

The critical environmentalist approach of the traditional welfare state claimed that social reconciliation between capitalists and the working class became possible based on the high level of wealth created through ever-increasing material flows and the exploitation of natural resources (Schepelmann et al. 2009).

Consequently, in an analysis of the link between the welfare state and climate change, it must be seen not only as a buffer (shock absorber), which is its stability function, but also possibly as an enabler, allowing behaviour to be adjusted (Mandelli 2022).

#### 4.1.4 Addressing different dimensions of inequality

The climate crisis confronts us with a unique constellation of inequalities that is genuinely different from former manifestations. Unlike previous crises, cause and effect are distant from each other both in time and space and the link between collective and individual risk is not clearly visible. While climate change will have dramatic effects on future generations, and on vulnerable regions and people, it is not perceived as an imminent danger by those responsible for the emissions. There is no direct link between a coal mine in Australia and floods in Europe, unlike in the case of local pollution (air, soil or water), where terminating the source has an immediate

effect. With climate change, only coordinated and coercive action can bring results and only within a few decades; the effects of climate policies on jobs, by contrast, are felt here and now.

The challenge is that the much greater threat to peoples' livelihoods and to equity – climate change itself – seems distant and therefore less important than the more immediate impact of climate policies.

At the same time, academic research and civil society activism have developed concepts in separate silos that do not really relate to each other (Wang and Lo 2021). This is one reason why the concept of just transition that has developed over the past 40 years is so heterogeneous, diverse, often even ambiguous and confusing.

#### 4.2 Just transition: an integrative concept to deal with inequalities in the climate–environment–social nexus?

The concept of a just transition dates back to the 1970s and has been applied by activists and labour unions, while related scholarly debates appeared in the 2000s. According to McCauley and Heffron (2018), just transition is a new framework of analysis that brings together climate, energy and environmental justice scholarship. This might be the case as a 'framework of analysis', but this is not what is happening in most of its practical implications. When addressing the political economy of just transition, Newell and Mulvaney (2013: 134) described its complexity by pointing out that the goal is 'to achieve zero-carbon while maintaining equity and justice, in pursuit of "climate justice" to current and future generations and manage also the potential contradictions that might flow from doing these simultaneously'.

The very idea of 'just transition' emerged from an environmental justice context highlighting the 'jobs versus environment' dilemma in a rather transparent case. It was not about climate change: a highly toxic and polluting plant had been ordered to close down in the United States with no transitional help foreseen for the workers. Mazzocchi (1993), a trade union leader, argued that dangerous jobs that produce products which threaten community health and the environment should not be preserved, but workers who lose their jobs should be protected.

The concept of just transition concerns how social justice with fair burden-sharing can be applied in the context of controlling climate change, taking climate, environmental and energy justice into account, with all their dimensions. This sounds simple at the abstract and general level and is commonly shared not only in the academic community but also at different policy levels (UNFCCC 2020; ILO 2015; Council of the European Union 2022) where there are comprehensive policy frameworks and integrated concepts. In practical terms, however, the fragmentation of just transition policies has even worsened. While concrete just-transition policies are fragmented and one-dimensional, inequality challenges are multi-dimensional (for a detailed critical discussion and typology of just transition policies, see Galgóczi [2022], while for a critical analysis of the current EU just transition framework, see Akgüç et al. [2022]).

While facilitating labour market transitions is a key element of the just transition concept, the interlinkages between the welfare state and labour market policies are not clarified, in particular as regards active labour market policies. More importantly, the responsibility of the (welfare) state in dealing with the labour market effects of the green transformation is not defined.

This shortcoming became evident with the announcement of the ‘Fit for 55’ package in July 2021. The EU now has a Just Transition Fund (JTF) with limited resources, dedicated mostly to helping coal regions manage the social and employment effects of phasing out coal. This is very important but reaches only a small fraction of those affected by decarbonisation. It is important to note that the only policy tool with regard to which the state acknowledges its role in actively supporting labour market transitions is the Just Transition Fund, but as it is directed to carbon-intensive sectors (coal regions) it covers less than 0.25 per cent of EU employment (Alves Dias et al. 2021). The Social Climate Fund (SCF), starting from 2026, has a very specific target: namely, to alleviate the detrimental distributional effects of a new emissions trading system for buildings and transport (Galgóczi 2022). Based on the agreement of the Council and the European Parliament reached in December 2022, the resources of the SCF will now be raised by around 14 billion euros but, given the scale of the energy crisis, this is rather symbolic. The Council Recommendation on ensuring a fair transition is a toolbox for Member States to manage the outlined employment and social effects, but is based on tools that already exist.

While decarbonisation itself is a common objective of humanity, concrete transitions are taking place in work environments that are determined by the capital–labour relationship. The resulting restructuring process – even under cooperative industrial relations – may well be conflictual. Just transition policies have focused on certain groups (‘just transition for us’), but without taking into account the broader perspective of an inclusive ‘just transition for all’, policies cannot meet the challenges posed by multi-dimensional inequalities. For this to happen the role of the state needs to be rethought.

## **5. Conclusions**

This chapter has shown that inequalities in the climate–environment–social nexus are complex, with several dimensions and layers, including some conflicting ones. This new combination of inequalities that are also interrelated in many ways makes any policy response particularly challenging as the forces that drive them have different time horizons and geographical spread. Historically, social movements, NGOs and trade unions have tended to focus on one particular form of inequality and concepts of environmental and climate justice, as distinct from approaches to social justice, and industrial relations research has developed along different pathways. Until recently, social policies and welfare systems were disconnected from ecological policies. While one of the core mandates of the just transition concept is managing labour market transitions, for the welfare state the original interpretations included income support for the unemployed only in a passive manner. It is not only that the concepts of the

welfare state are not entirely in line with just transition concepts but they are also inherently ambiguous about the role of the state in employment transitions. Therefore, the epochal transformation to a new – zero-carbon – economic model requires an overhaul of the traditional welfare and employment policy framework, and the role of the state needs to be reconsidered. To implement this in the real world, an integrated and holistic policy framework is necessary, ideally in the form of an ‘eco-social state’.

The discipline of ‘environmental labour studies’ has attempted to create intersections between social and environmental justice, climate change and working conditions (Stavis et al. 2018). An enabling state, often referred to as the ‘eco-social state’ (Jakobsson et al. 2017), can link labour and the environment in a *strategic* manner with a new integrated welfare concept (see also Galgóczi and Pochet 2022).

Instead of proposing a grand transformative idea, a less ambitious and practical approach could be to flag up possible policy options and raise further questions for future research.

As we are stumbling from one crisis to another, in the course of which ad hoc responses are being implemented urgently to fend off the most imminent effects (as seen in the Covid crisis and now in the energy crisis), the result seems to be that entrenched inequalities are aggravated, while new ones are being created. A patchwork approach to just transition does not seem to be working and the dominance of a technology-based market-driven green transition has also shown its limits. Reducing the carbon and material footprints of human activities (consumption, production and mobility) is unavoidable. Doing this while reducing inequalities (and not creating new ones) is a huge challenge. There is consensus about the need to abandon an ‘imperial mode of living’ in the rich world (Brand and Wissen 2018) and that human needs can be satisfied more effectively through the principle of ‘public luxury, private sufficiency’ (Gough 2019), with the emerging idea of universal basic services (Büchs et al. 2021; see also the contribution by De Schutter et al. on post-growth economy and Guy Standing on eco-fiscal policies, in this volume). Embarking on an economic model that could bring less resource and material use with more technological solutions to well-being issues and green growth will not deliver adequate results. Deep societal and behavioural change is needed to put consumption and mobility patterns on a sustainable basis. Buch-Hansen and Nesterova (2022) suggest deep societal change and changes in ‘our inner being’ to become ‘less egoistic, egocentric, possessive, hedonistic and materialistic and more capable of transcending their narrow ego/self, more capable of seeing themselves as part of the broader existence’. But that seems a tall order within a limited timeframe, and with a need to manage it in a democratic and equitable manner.

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# Chapter 3

## Commodities or collectives?

### The fight over the future of technology

Hamid R. Ekbia

#### Introduction

One cannot think about the future of human societies without considering the place of technology in it. As a species, after all, we are in a sense cut from the same cloth as our technologies, making it pointless to try to separate the social and the technological. But how should we think about technology as we try to imagine its future? What perspective should we adopt? Many options present themselves. They include the *functional* (what role and purpose does technology serve?), the *social* (how does technology mediate different spheres of social life?), the *historical* (what does the past of technology teach us about its future?), the *feminist* (how can technology enable an ethics of mutual care and support?), the *phenomenological* (how does technology shape human subjectivity and life forms?), and, with an eye on pandemics, perhaps even *epidemiological* (how can we use technology to compose human societies on a planetary scale?). There may of course be others.

Each of these perspectives has its own merits, but for the purposes of the present discussion it might be best to go with the ‘social’ perspective, because it would give us the insight that a forward-looking approach demands, while also giving us a handle on those other perspectives. In what follows, I will focus on socio-technical mediations, outlining a few basic lessons that we have learned about technology in recent times.

#### 1. First lesson: technologies are not mere tools, nor are we mere fools

Let us concentrate, then, on how technology might *mediate* different spheres of social life. I understand ‘mediation’ here as an act, a process that ‘gives rise to categories and classes, words and things’ (Bowker 2010: 725). Technology thus mediates in the sense that it gives rise to ‘things’ as well as the ‘words’ we need to talk about those things. The two are tightly interconnected. In fact, technology itself emerges as a mediation among human beings and between them and their environment. Computing technology, as we know it today, for instance, has been shaped incrementally as a response to the socio-historical, political and economic developments of recent times, especially by the demands of the embedding capitalist system. It has, in turn, given rise to cell phones, laptops, GPS, NFT, tweets, chat bots, digital photos, armed drones, sex robots, cryptocurrencies, and a million other things, along with their names and numerous other words to talk about what we do with these things: texting, emailing, speed trading, remote therapy, telework, cyberwars, sexting, hacking, cyberbullying, online

dating, banking and shopping, and all manners of other activities that were unheard of just a few decades ago.

The term ‘mediate’ is central here because it pre-empts two common deterministic fallacies, social and technological. Social determinism tends to assign too much credit to human subjectivity, turning technologies into mere ‘tools’, while technological determinism does the opposite, turning human beings into mere ‘fools’, who are increasingly willing to turn their agency over to ‘smart’ machines. Technological determinism is especially paramount and prevalent in discussions of the relationship between technology and so-called social ‘problems’. Technology, in many such discussions, is portrayed as either the source of all troubles or their solution. Both perceptions are flawed. Technology on its own is neither the *cause* nor the *cure* for our social predicaments; it can neither *enslave* nor *liberate* us from our worst instincts and institutions. Rather, it mediates our relationships with each other and with our surrounding environment.

Our first lesson, therefore, is about our relationship to technology. We are not mere fools to easily fall for anything that technology will bring about, but nor are technologies mere tools that can be forged and folded at will. Technology, as Melvin Kranzberg (1986) showed, ‘is neither good nor bad; nor is it neutral’. With that lesson in mind, the question now facing us is, what will technology bring about a few decades from now? How is it going to mediate our future? And how should we prepare for that future?

## **2. Second lesson: technology is indispensable, but not inevitable**

The most accurate and honest response to this question is, ‘nobody really knows’. This is because of the common fallacy mentioned earlier — namely, determinism. The deepest truth about technology, other than the fact it is an indispensable part of who we are as a species, is that there is nothing *inevitable* about its path of development. As Stanislaw Lem (2013) reminded us, the most interesting thing about technology is how unpredictable it is. Existentially indispensable, but historically contingent; immanent in form, but opportunistic in substance; that is the paradox of technology, its elusive beauty, if you will.

We don’t know much about the history of early technologies – fire, the wheel, even language – to demonstrate this paradox in action, but even here we do see a strong element of accident and contingency in their creation. Think of fire, for example, which took millions of years to be harnessed and preserved by early hominins from its natural occurrence. Mounting archaeological evidence shows a strong element of opportunism at work here (Gowlett 2016). Similar accounts can be given of other early technologies.

We know more, however, about the history of modern technology to see the unravelling of the paradox in action. Take any example of a modern technology and you will notice that things that seem indispensable to modern life could easily have been otherwise. Thomas Boyle’s air pump is an early example in which hindsight provides us with a clear understanding of the slow adoption of technology, but also of the road not taken.

In order ultimately to be adopted, the technology of the pump had to be reinforced by the literary and social technologies (such as the blessing of the Royal Society) that legitimated its products and its uses (Shapin and Schaffer 1985). Electric power, similarly, could easily have been distributed in a decentralised manner as opposed to the centralised grid that prevailed at the end. The fact that it didn't was as much an outcome of economic and political power as anything else (Hughes 1993; Sawhney and Ekbia 2022). The same can be said of the computing wars of the 1980s, Blue-ray versus DVD, fossil fuels and renewable energy, and other 'battles of dominance' between rival standards (Suarez 2004).

And it is not as if the winning technologies in each of these cases were necessarily superior or the 'fittest' among alternatives. Darwinian selection doesn't work in the 'evolution' of technology (Noble 1984). Fights have to be fought, resources mobilised, allies recruited (and, more often than not, betrayed), political muscle exerted, Potemkin villages set up, public images managed, and so forth. The path of technology development is contingent, contentious, messy, political and uncertain.

This is our second lesson in thinking about the future of technology. While technology is an indispensable part of human life, there is nothing inevitable about its trajectory of development. Things can be steered in different directions through policy, regulation, action, participation and resistance.

### **3. Third lesson: the earth is the limit, not the sky**

While we have great discretion in shaping the future trajectory of technology, there are limits to what we can do. These limits can take different forms — social, material, political — but keeping them in mind is imperative for our thinking.

Materially, we have to start with the most neglected fact about technology in Silicon Valley, namely, the limited resources that our globe, despite its rich abundance, can make available to us. The current magical thinking about what AI and computing can supposedly do should not distract us from this basic fact. Machines are deeply physical in character, and the current push toward virtuality cannot ignore this. 'Online retail' stores such as Amazon are a case in point. With hundreds of distribution centres around the globe, a fleet of thousands of vans, and server farms that consume the equivalent of a midsize town in energy, Amazon's operations are as physical in character as retailers of the late nineteenth and early twentieth centuries (Ensmenger 2021), not to mention the thousands of employees who work in the so-called 'fulfilment centres' under harsh working conditions (Ekbia 2023).

Socially, for technological projects to be actualised, human skills and ingenuity, institutional resources, cultural practices and action repertoires have to be mobilised at various levels and scales. Throughout human history, no major technological breakthrough has been accomplished without the mobilisation of these variegated components, whether it was the Great Wall of China, the Egyptian pyramids or the Suez Canal or more recently the Manhattan, Soyuz or Apollo projects.

The political will that provides the momentum behind these projects is as important as the material and social resources. While in the past, that political will was often exerted by the power of the sovereign at the expense of the masses (slaves, serfs, proletariat, taxpayers), future mobilisations of power for technological development do not have to follow the same pattern. Rather, it can emanate from those same masses who in times past were largely left at the margins of history.

Our third lesson therefore is to take seriously the material, social and political constraints of technology development, but also alternative ways of dealing with those constraints. Notwithstanding technological escapism driven by the futuristic fantasies of Silicon Valley billionaires about colonising other planets, in the foreseeable future we will be bound by the limited resources available on our globe, whether they be energy sources, or rare earth minerals and other crucial elements. In this light, the current enthusiasm for battery-driven electric cars, for example, needs to be checked against the reality of the limited amount of lithium available on earth. This hard fact is often either brushed under the carpet or may give rise to military force instigated by dominant elites.

#### **4. Fourth lesson: the main culprit is the profit motive, not efficiency**

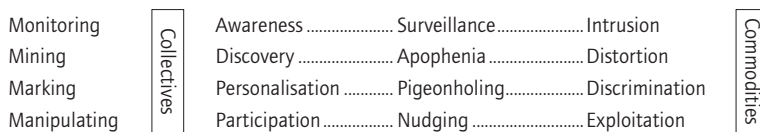
What end should technology serve in a future that is meant to work for the majority of human beings, as opposed to a select few? To address this, let us ask about what ends technology is currently serving. Understandably, there is no single answer, as there are many such ends, but broadly speaking current technology serves the ends of the embedding socio-economic system in which technology is developed, disseminated and used, namely, capitalism. Capitalism is a system that is ultimately driven by the *profit* motive, its bottom line. It is the profit motive that has established *brute efficiency* as the main criterion of technical evaluation in modern times. The road from Adam Smith's pin factory through Frederick Taylor's scientific management to the current harsh conditions at Amazon warehouses and Tesla manufacturing plants has been paved with increasing layers of profit-driven techniques of brute efficiency enhancement. Inherently, efficiency is not a negative measure that should be frowned upon. The main culprit here is profit, *not* efficiency.

The rise of machine learning techniques illustrates this point vividly. Broadly speaking, machine learning can be understood as a process in four stages: monitoring, mining, marking and manipulation. At the *monitoring* stage, data are collected about entities (objects, events, individuals, behaviours, and so on) in an environment increasingly equipped with sensing devices and information-gathering techniques, from health trackers and mobile technologies to closed-circuit cameras and online services. The vast amount of data collected through these mechanisms is aggregated and *mined* to identify patterns that are otherwise hidden from direct human perception. These patterns are then used as the basis for sorting those same entities that served as original sources of data, pigeonholing and *marking* them as belonging to certain relevant categories. Finally, these markings are in turn used to target and *manipulate* the behaviour of the

entities in ways imagined or desired by the developers and proprietors of algorithms. The cycle is repeated, feeding back on itself in the incessant four-stage process outlined here.

This generic process often works fine when applied to areas such as drug discovery, where hidden patterns of interaction between living cells and chemical compounds can be discerned much more effectively through machine learning techniques. One example was the ‘repositioning’ of a compound called ‘ebselen’, originally developed to treat stroke survivors, which has received new attention as a treatment for people with bipolar disorder (Nosengo 2016). The story is more complex, however, when it comes to human beings and their social behaviour. Rather than taking a predictably harmless form, the application of machine learning techniques in these areas can lead to a range of possible outcomes throughout the four stages described above. We can apprehend this range as a spectrum at the left end of which are possibilities for awareness, discovery, personal empowerment and participation, while at the right end are possibilities for intrusion, distortion, discrimination and exploitation. This is, therefore, a spectrum between collective growth and rampant commodification of human life. In between these two extremes, there is a broad range of possibilities, the midpoint of which might be captured by terms such as surveillance, apophenia (finding patterns where there are none), pigeonholing and nudging (Figure 1).

Figure 1 Spectrum of possibilities in different layers of machine learning



In the current socio-economic environment, driven by the profit motive, big data and machine learning have largely pushed things to the right side of the spectrum on all of these layers, turning data into the ‘new oil’ and human beings into data tokens that are made legible for manipulation by modern systems such as advertising, political campaigns, policing, and so forth. Critiques of these trends in recent years have highlighted their risks and downsides, including issues of privacy, algorithmic bias, opacity, discrimination, surveillance, and so forth. These, as I hope to show here, are linked issues, and they need to be tackled in a conjoined manner. In particular, the undue focus on privacy and surveillance, based on a liberal model of individual autonomy, tends to be narrowed down to the tip of the iceberg, distracting us from the deeper underlying issues. A first step in that direction is to go back to the driving engine behind all this, namely, the profit motive.

There are different ways of understanding the strong presence of the profit motive in human affairs, but one common explanation is that human behaviour is driven by a combined desire for the acquisition of money, power and prestige, an instinct that appears to have been entrenched institutionally ‘for the foreseeable future as symbolic of what is considered a desirable economic order’ (Bornemann 1942: 235–236). A century ago, John Dewey (1922: 145) described this as a ‘a mythological psychology

of instincts behind modern economics'. One hundred years on, with the lessons of Covid-19 behind us, it might be high time to upend the profit motive as the ultimate end of economic activity.

And that is our fourth lesson about the future of technology: the profit motive has largely shaped modern technology, giving efficiency a bad name, and we need to explore alternatives driven by more collective motives.

## **5. Fifth lesson: the problem is not the throng of data, but the wrong data**

To explore alternatives, we need to dig deeper below the surface of privacy and surveillance. The Covid pandemic showed the vulnerabilities of modern societies not just to the prevalence of *improper* surveillance, but also to the absence of *proper* surveillance, to borrow terms from Timothy Campbell (2011). Current academic discourses on control, privacy and 'surveillance society' (for example, Zuboff 2018) overemphasise the risks of the former at the expense of the latter. In this way, these discourses find themselves hand in glove with right-wing populist movements of anti-maskers, anti-vaxers and misinformation driven by rampant conspiracy theories. The issue with current applications of technology is not that a lot of data is collected, rather that the *wrong* data is, such as data on consumption behaviour, entertainment preferences ('engagement') and other information that can be collected about individuals to nudge and coerce them toward the types of behaviour that ultimately serve the profit motive. To avoid these pitfalls, we have to think differently about the challenges posed by new technologies. Various proposals have been put forth recently for dealing with this dilemma and other related issues.

One proposal is to adopt an *epidemiological* perspective on human societies that calls for 'a model of governance based on planetary-scale technological rationalism'. Such rationalism differs from the perhaps more familiar cold-blooded calculative logic, and would allow the human species to 'deliberately compose itself with compassion and reason' (Bratton 2021: 5). The implementation of such rationalism would require, among other things, the development of 'good models' of governance based on an allocentric orientation as opposed to the egocentric models that permeate current simulation and modelling practices. Were we to follow this approach, we have to be wary of the possibility of new forms of centralised governance, with their attendant risks of control, inequality and oppression, only this time on a planetary scale. While it is important for systems of health surveillance to be 'inclusive', counting in as many individuals and communities as possible, it is equally, if not more, important for those individuals and communities to have a say in their affairs.

This is a challenge for humanity going forward, where the old rule of the 'golden mean' might not work anymore. We cannot work our way out of the growing number and frequency of pandemics by *averaging* humanity, for example. We should think about the challenges posed by technology as mounting dilemmas, not in terms of utopian promises and dystopian nightmares. This basic observation is at the root of the current



dilemma facing human societies as regards how to make a proper and positive use of technology, while minimising improper and negative uses. The relevant dilemma here is what to count and what not to count (Ekbja et al. 2015). As William Cameron wrote many decades ago, ‘not everything that can be counted counts, and not everything that counts can be counted’ (1963: 13).

Another proposal comes from the perspective of ‘cosmo-technics’, advocating techno-diversity on a par with natural diversity. The idea here is that, rather than understanding technology as a universal phenomenon, we should see it as constrained and enabled by particular cosmologies (Hui 2017). Chinese medicine, for instance, goes beyond the utility and functionality of Western medicine, but it is no less medical in character, according to this view. By the same token, technology can be understood differently from the commonly adopted view that sees it as the liberation of bodily organs or the exteriorisation of memory and cognition. To acknowledge this point would be to acknowledge techno-diversity, allowing us to appropriate modern technologies by giving them new directions, for example, social media platforms designed as structures connecting various collectives rather than atomistic individual subjectivities.

A third perspective calls for a shift of orientation from individualism to collectivism, or more accurately, from one of individuals as given in advance to individuals as produced through social interaction, their autonomy being predicated on collective autonomy. The feminist media scholar Joanna Zylińska (2018) provides a provocative take on this perspective in thinking about the Anthropocene and the current environmental crisis, challenging ‘the widespread belief that salvation from the current planetary apocalypse will come from a secularised yet godlike elsewhere: an escape to heavens in the form of planetary relocation, or an actual upgrade of humans to the status of gods via Artificial Intelligence (AI)’ (Zylińska 2018: 7). In its place, she proposes a ‘feminist counterapocalypse’, which accepts as a given the precarity of our current condition in a material sense, but which understands it as ‘the condition of being vulnerable to others’ (ibid: 55). This leads her to the possibility of a realistic future that would avoid a Hobbesian everyone-is-good-on-their-own, ‘while also giving up a fantasy of peaceful coexistence between individuals, species, or systems’ (ibid: 59).

I would like to take these thoughts as constituting a fifth lesson for the future of technology, namely, that it should bring about an arrangement based on a whole mutual benefit, meaningful collective ownership and participation in constructing and maintaining socio-technical systems. The problem in the existing arrangements is that the majority of people are turned into passive recipients of technical innovations, while their labour and creativity is used and leveraged for the creation of economic value for powerful players (Ekbja and Nardi 2017).

## **6. Sixth lesson: fights have to be fought to put technology to proper use**

Many things have to change to correct this state of affairs. At the deepest level, as suggested above, our ways of thinking about ourselves as individuals and a species

should be transformed, moving away from liberal notions of individual rights and liberties to more collective notions of mutual care and responsibility. This change of outlook can, in turn, transform our understanding of technology and its place in human affairs — neither as an intrusive outside rival or threat, nor as an almighty and omnipotent saviour, but as an *ally* and support in the betterment of the human condition.

That, of course, is easier said than done, for at least two reasons. First, changing our ways of thinking is going to be a long and tortuous process. The habits of thought that have to be abandoned and replaced have deep roots in centuries of philosophy, culture and tradition. Putting these behind cannot be achieved by fiat, but through patient institutional change and persistent social reform: family practices in terms of gender dynamics, child rearing and mutual care have to change; educational systems must overcome disciplinary siloes, replacing them with genuine multi-perspective theories and practices; media structures and incentives need to be cleansed of commercial sensationalism, focusing instead on the fluid flow of valid information and credible ideas; reparations have to be made to those groups and communities who have contributed to the development of technology but who have not benefited from the fruits of their labour and creativity, and so on and so forth. The most recent manifestation of this phenomenon is so-called ‘heteromation’, in which the affective, cognitive and social skills of billions of human beings are being channelled and appropriated for the benefit of a few (Ekbia and Nardi 2017).

The second reason change is hard has to do with the entrenched interests that have a huge stake in maintaining the status quo. There is a wide spectrum of such interests that belong broadly to the powerful and the privileged. To convince these vested interests to accept change is not going to be easy. In fact, there is going to be resistance and backlash. Falsehoods will be spread, accusations made, technical obstacles fabricated, economic resources mischanneled, political barriers erected and legal battles launched, *ad infinitum*.

*There are thus going to be fights* of at least two kinds: a fight against old habits of thought and a fight against entrenched interests. It is hard to say which of these should take precedence, because they are tightly entangled. But there are going to be fights, nonetheless — and that is our sixth lesson.

## **7. Seventh lesson: the fight over technology is planetary, not regional**

What about the scale of the fights? The current global order has staged technological development along geopolitical lines, casting it in terms of a competitive logic among corporations, nation states and strategic blocs, giving rise to a close overlap between xenophobia and technophobia (Bratton 2021: 30). Future technology, if it is to serve the interests and aspirations of the majority of the global population, cannot follow this competitive logic. It should rather be based on strategic cooperation among communities, nations and regions.

For that to happen, techno-diversity as opposed to techno-dominance should be adopted as the *modus operandi* of technological development on a planetary scale. Monotechnics are as devastating as monocrops. Here, as in the case of agriculture, old ways of thinking and vested interests are going to uphold resistance, calling for struggles on a global scale. Those struggles cannot be fought in the same way as they were fought in the nineteenth or twentieth centuries, narrowly defined between global capitalism and the international proletariat. Rather, broader coalitions have to be established among various social groups, including the working classes, ethnic and religious minorities, environmentalists, gendered oppressed groups, and even some white-collar professionals who are increasingly finding themselves in the precarious condition of current capitalism (as we have seen in recent months).

## 8. Looking ahead

The lessons outlined above provide a brief sketch of what we have learned from historical experience, especially from the recent pandemic with regard to our relationship to technology. On the surface, these lessons seem to be disparate and disconnected, while at the same time grand in scope. Below the surface, however, there are close relations between these seemingly separate lessons. The truth of the matter is that we cannot deal with technology in isolation from the embedding socio-economic, cultural and political environment that devises, develops, delivers and deploys technologies. To treat these in isolation, as we have seen, is one of the fallacies that has put a great deal of technological work on the wrong track in recent times. To avoid such a fate, we have to start with the very basic premise that we human beings are of the same cloth as our technologies, and vice versa; in other words, our technologies are created in our own image. Once we accept that premise, it would not be hard to see the connections among the lessons laid out above, as sketchy as they might be.

The choice in front of us, ultimately, is whether we want to build future technologies according to a logic of commodities traded in a marketplace or a logic of collectivities engaged in mutual care and support. Commodities or collectivities? — that is the question.

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# **Chapter 4**

## **Equality, rights and the 'stickiness' of the current political moment**

Colm O'Cinneide

### **Introduction**

States are expected to govern in a way that takes into consideration the equal status of all their citizens. In reality, however, modern states are far from adhering faithfully to this commitment. Multiple different forms of inequality are institutionalised, embedded, even celebrated, even as states simultaneously claim adherence to democratic egalitarian ideals. This is perhaps contrary to many of the expectations of the post-2008 period, in which it was widely assumed in progressive circles that economic turbulence, climate change and challenges to the power wielded by the '1 per cent' would generate broad popular mobilisation in favour of greater material equality. Instead, even though vitally important scholarship over the past decade or so has highlighted the social damage caused by current levels of global inequality, the disjunct between the nominally egalitarian values that are supposed to steer the exercise of public power and the reality of quotidian inequality remains stark – and attempts to transform this situation remain mired in the current 'populist' irritability that constitutes the current political moment.

This chapter explores the reasons for this 'stickiness', the damaging impact it has on both political and legal systems, and what might be done to overcome it. Particular reference is made to the role of human rights law in this regard. While often dismissed as incapable of effecting transformative change, it retains the capacity to advance equality claims and thus to contribute incrementally to the furthering of a better society.

### **1. The rhetoric of equality versus the reality**

Modern states are supposed to respect certain basic values: rule of law, human dignity and democratic self-governance. Their origins, history, governance structures and modes of socio-economic organisation may differ in many respects, but there is a common expectation that state governance should align with this triad of norms, the 'holy trinity' of contemporary liberal democracy. More specifically, the exercise of public power tends nowadays to be justified on the basis that it is channelled through institutional structures that respect and embody these values, which have become the legitimating grammar of contemporary law and politics.

By extension, this means that states are also formally committed to respecting a general notion of human equality. The concept of the rule of law is underpinned by the

assumption that all persons subject to the law are entitled to be treated as if they possess a certain inherent equality of status (Waldron 2012). The same idea provides the firm foundation for appeals to the notion of human dignity, along with the framework of fundamental human rights that have been build up around this concept over much of the past century (Gilabert 2018). Similarly, the idea that all citizens enjoy equal status forms the axiomatic basis for the principle of democratic self-government (Dahl 2007).

Thus, the exercise of public power – including the authority to regulate private sector activity – is supposed to conform with democratic egalitarian ideals. Putting it in simple terms, states are expected to govern with regard to the ‘public equality’ of all (Christiano 2008), and to deploy their powers in ways that are not discriminatory or otherwise fail to respect the equality of status of everyone subject to their rule. This is reflected in the multiple provisions of international human rights treaties that affirm that basic rights should be secured on a non-discriminatory basis, such as Article 2(1) of the UN International Covenant on Civil and Political Rights (ICCPR) and Article 2(2) of the International Covenant on Economic, Social and Cultural Rights (ICESCR). (More on this below.) It is also reflected in the equality clauses of most modern constitutions, as well as in the formal rhetoric of national governments and state organs across the democratic world. Contemporary power is ultimately exercised in the name of equality – more specifically, in the name of the equal citizenship of the nominally sovereign citizens of a state.

Modern states are far from adhering faithfully to the idea of equality, however. Multiple different forms of inequality are institutionalised, embedded, even celebrated – even as states simultaneously claim adherence to democratic egalitarian ideals. This reflects how easy it is to claim nominal conformity with the abstract principle of human equality (Westen 1985). If an exercise of state power (i) complies with basic, formal rule of law principles, (ii) professes respect for minimum standards of dignity and human rights, and (iii) emanates from governance structures that can be broadly classified as ‘democratic’, then it can rhetorically claim to respect at least the essence of egalitarian ideals – even if the state power in question is actually being deployed to widen concrete inequalities and reinforce existing hierarchies of class, power, status and so on. In the modern era, flagrantly unequal policies and practices regularly come smeared with the anointing oil of constitutionality, rule of law compliance and the *imprimatur* of democratic endorsement through the electoral process.

## **2. The ‘stickiness’ of the current political moment**

Such policies and practices are not immune from challenge. Flagrant inequalities can be very vulnerable to political contestation, and often prove to be unsustainable in healthy democracies (Houle 2009; Milanovic 2016). But it can take a long time for a frog to boil: it can be difficult to mobilise a critical mass of political opposition to inequalities that have become normalised within societies, even if their unfairness is manifest. And many forms of inequality are less than obvious; or have a disparate and highly differentiated impact across society; or come attached to patterns of economic and technological change that appear to be inevitable, unavoidable or intrinsically desirable

on their own terms; or are insulated against challenge by structural imbalances built into national political systems. Challenging such 'everyday' inequalities can thus be a slow and tortuous process – with no in-built guarantee that the 'arc of justice' will eventually bend in favour of a just outcome.

This does not prevent arguments about equality from being deployed with great frequency in contemporary political debates. The claim that states are falling short of their commitment to equality – that they are unjustifiably favouring elites and/or specially protected groups, and failing to govern with equal regard for all subject to their rule – is a potent and recurring rhetorical trope. It is particularly favoured by the political left, who tend to view it as 'their' issue – especially in recent years, when many left-orientated political parties or social movements have placed new emphasis on material inequalities in their campaigning, to supplement the focus placed on rights, dignity and 'recognition' concerns that had formed much of their staple political diet over the previous few decades (Fraser 2000).

The right can play the equality card, too, however. Arguments that particular groups are gaming the system, by for example milking the social welfare system, queue-jumping or otherwise exploiting the generosity of 'hard-working families', could be viewed as a particular form of equality claim, depending on how far one buys into the idea that respecting equal status requires respect for accumulated entitlements and proportionate worth (Nozick 1974). So too do claims that particular social elites are abusing the democratic system to bring about projects of social transformation without majority support, a staple of contemporary conservative political rhetoric: this explicitly taps into the idea of equal worth, and mobilises it to frame left progressive political projects as a form of aristocratic, elitist social engineering that disregards the views of the 'silent majority'. (I am not suggesting that these are normatively justifiable equality claims: merely that they invoke notions of equal worth to resist redistributive demands, in ways that often resonate with the values, political views and vested interests of significant chunks of the general population.)

Thus equality claims, broadly defined, feature prominently in contemporary political debates. But different varieties of such claims are deployed by different political forces in different ways, which often blunts their normative force and drags them down into the morass of quotidian political contestation. Furthermore, the distortions of contemporary democratic processes, which often reflect and replicate the very inequalities that feature prominently in contemporary debates about social justice, can limit the potential for radical change.

As a result, equality claims targeting structural injustice or deeply embedded inequalities rarely amount to a 'magic bullet' or significant game-changers in terms of bringing about large-scale political, social and economic transformation. The normative force of such arguments often resonate in academic common rooms, or in civil society discussion for a, but struggle to make headway in the congested and acrimonious contemporary political landscape.



This is perhaps contrary to many of the expectations of the post-2008 period, in which it was widely assumed in progressive circles that economic turbulence, climate change and challenges to the power wielded by the '1 per cent' would generate broad popular mobilisation in favour of greater material equality. Instead, even though vitally important scholarship over the past decade or so has highlighted the social damage generated by current levels of global inequality (Wilkinson and Pickett 2009; Piketty 2014; Saito 2020), equality claims have remained mired in the current 'populist' irritability that constitutes the current political moment.

There has been some progress, reflected in a general global shift away from neoliberal policy prescriptions and the dramatic challenges to existing gender and race hierarchies represented by the MeToo! and Black Lives Matter campaigns. But there has been regression, too, in the new growth of amplified new inequalities, exemplified in particular by technological developments, the emergence of more draconian forms of border control and the sharply unequal impact of the Covid epidemic (Atrey and Fredman 2022). The disjunct between the nominally egalitarian values that are supposed to steer the exercise of public power and the reality of quotidian inequality remains stark, and debates about equality seem to find themselves constantly stuck in this gap.

### **3. The impact of embedded inequality on politics and law**

All this poses significant challenges for democratic institutions. Their structure, functioning and claims to legitimacy are all predicated on an assumption that everyone has a more or less equal chance of influencing and participating in elections and other democratic processes (Christiano 2008). But that, of course, is a myth – moreover, a myth that is everywhere acknowledged to be out of step with reality, but which rarely provokes any significant attempt to reform the status quo. This undercuts the legitimacy claims of democratic institutions to be founded on the 'equal participation' principle. It also harms how they function, by, among other things, limiting the range of voices that are given serious weight in democratic debate. And it seems to be fuelling the divisiveness and raw anger that have become dominant characteristics of political contestation in many democracies over the past decade or so, while also often serving to entrench the very inequalities that are generating this 'irritability'.

These embedded, persisting inequalities also generate serious challenges for legal systems and the actors – judges, lawyers, lay clients, civil society organisations, civil servants and legislators – who influence their functioning. On one hand, legal systems are committed to respecting the principle that all are equal before the law. More generally, they are expected to function in ways that respect the equal status of all persons subject to their authority. On the other hand, legal systems reflect the societies in which they are embedded. Also, they are inevitably open, permeable and subordinate in varying degrees to political control – appropriately so, as many legal theorists would argue (Gordon 2022).



This means that policies that embed or amplify inequality are carried over into law and implemented through its channels. Indeed, law sometimes becomes a vehicle for measures that manifestly undercut its rights and rule of law–based claims to legitimacy. Welfare sanctioning regimes and immigration control are areas of law that currently offer particularly stark examples of this tendency (Watts and Fitzpatrick 2018; Prabhat 2021).

This also means that the 'stickiness' of current debates over equality – the sense that mounting concern with the distorting impact of inequality is having limited impact on public policy or socio-economic structures – is also a problem for the functioning of legal systems. Given law's formal commitment to respect equal status, and the centrality of this commitment to its claims of legitimacy, the disjuncture between this rhetoric and the quotidian inequalities of contemporary legal systems is particularly stark. Law always promises more justice than it can deliver: however, the mismatch between rhetoric and delivery now looms large in any clear-eyed accounts of the functioning of legal systems. (For the case of UK public law, for example, see Hickman 2017). And this tension is a particular problem for those areas of the law that are supposed to play an active role in reinforcing respect for equal status – both within the functioning of the legal system, and across society more widely.

#### **4. Equality and the 'rights revolution'**

Historically, legal mechanisms were not actively deployed to protect individuals and groups against unequal or demeaning treatment, or to remedy structural forms of injustice. Law's role was more confined: law was used primarily as a passive instrument to regulate individual conduct in specific and limited ways in line with the legislative will, instead of serving as an autonomous guarantor of equal status (Kennedy 2006). But the 'rights revolution' of the 1950s, 1960s and 1970s changed all that (Epp 1998). The law became a source of active protection against inequality in its own right, as courts began to interpret and apply abstract rights guarantees in ways that protected individuals against various forms of discrimination, oppressive treatment and denials of human dignity.

At times this shift was brought about by judges interpreting written constitutional texts, common law or international human rights treaty instruments in ways that strengthened legal protection for rights. At other times, it was driven by legislative choice – as was the case with the enactment of various forms of anti-discrimination legislation from the early 1960s on, initially in Europe and North America and later spreading across the democratic world. The cumulative effect of such developments was to ensure that legal systems acquired a new role as guarantors of individual equality of status. Law, having previously served at most as an occasional shield against abusive treatment, became a sword – a mechanism deployed to correct rights abuses both within the functioning of legal systems and more generally across society at large.

This repurposing of law has over time generated a substantial corpus of human rights and anti-discrimination law, which straddles the distinction between law and politics.

At both national and international level, detailed frameworks of overlapping human rights and non-discrimination legal norms have been established, generated by a combination of political will and judicial creativity. Some of these norms are 'hard law', directly enforceable before courts, while others are 'softer' instruments, designed to have more persuasive effect. Some are also limited in scope to core civil and political rights, while others extend to cover a much wider range of rights, including socio-economic rights, as protected by instruments such as ICESCR, the European Social Charter (ESC), various International Labour Organization (ILO) conventions and recommendations, and the 'social state' provisions of some national constitutions (O'Cinneide 2019). Some are also more effective, in both legal and political terms, than others. But this framework does add up in general to a wide-ranging set of norms oriented towards giving more specific expression to the concept of equal status, which continues to evolve over time at both national and international level as collective views evolve as to what forms of unequal or demeaning treatment should be classified as a violation of basic rights.

This framework is not comprehensive. Again, at both national and international level, it represents an encapsulation of a general overlapping social consensus – with the key question of when exactly rights will be violated being left to be resolved by judicial processes and/or the pull and tug of associated political debate. Nor does this rights framework pretend to offer a totalising solution to the inequalities that affect contemporary societies. Its focus remains on identifying egregious forms of denial of equal status – and even then its uneven development means that it has historically lacked much of a focus on particular forms of differential treatment, such as those related to material inequality.

But this legal human rights framework, in both its national and international manifestations, has served as a useful tool for contesting particular forms of discriminatory treatment broadly understood, and for holding democratic societies to account for how they live up to their professed equality commitments. It has generated concrete shifts in law and policy, and acted as a pressure point to challenge and constrain some notable abuses of democratic power. As a consequence, it attracts a considerable degree of popular enthusiasm and activist engagement, as well as academic and civil society buy-in.

As with democratic process more generally, however, the rights framework struggles to cope with the 'stickiness' in which debates about equality are emmeshed and the structural inequalities of contemporary societies. The promise it offers of rigorous state self-policing – with rights reviews applied by courts and expert bodies, taken together with associated political campaigning, functioning to dissolve some of the worst manifestations of contemporary inequality – has only partially been delivered. And there are signs that the 'rights revolution' is facing a severe backlash, in the form of concerted questioning of its legitimacy, viability and *modus operandi*.

'Hard law' human rights guarantees suffer all the problems that affect legal systems more generally. Access to legal rights remedies can vary greatly depending on social and political capital. The legal form – with its reliance on individual litigation,

gradualist case-law development and a constrained capacity to take account of how social injustices are generated within society – is intrinsically limited in terms of its capacity to engage with multifaceted, complex forms of structural inequality. Like any other aspect of the legal system, human rights law in its various facets is open to political determination: deferential judges can be appointed, court powers cut back, judgments reversed, circumvented or overridden. This inevitably limits its capacity to provide remedies for deeply embedded social inequalities – or to cut through the 'stickiness' of current political debates in respect of such topics.

In addition, human rights law suffers from a particular problem, which renders it suspect in the eyes of many legal and political actors who are wary of lawyers overreaching the bounds of their competency, namely that the inherently abstract nature of legal rights guarantees means that judges enjoy greater leeway than usual to interpret and apply such guarantees in ways that suit their personal political or normative beliefs (Webber). This makes it vulnerable to internal legal critiques, which frame human rights law as inherently prone to exceeding the appropriately modest bounds of legal intervention in questions of political morality. It also provides political and legal actors with a handy stick to beat human rights judgments that they dislike: these can always be accused of judicial overreach, especially when they concern inherently contested issues related to inequality.

Certain 'hard law' standards are less vulnerable to this critique than others. Anti-discrimination legislation is often specified to a higher level of detail than other forms of human rights law, and sometimes benefits from political reluctance to criticise its contents. Other aspects of human rights law, such as free speech, tend to be historically well-established and benefit from the assumption that they constitute part of the 'proper' repertoire of legally protected rights. Other areas of human rights law, however, suffer the converse problem: their comparative novelty means that they are often framed as inherently problematic areas for legal rights protection to engage with, and as a result case law in those areas tends to be particularly limited and deferential. This again limits the capacity of human rights law to serve as an effective protector of equal status. Often the law only protects a narrow set of minimum entitlements, or secures rights that have effectively already been secured (O'Cinneide 2023).

'Soft law' standards are also inevitably limited in terms of their reach and impact. At both national and international level, they can be readily ignored or discarded if they run up against the prevailing government agenda of the day – or where domestic pressure to conform with their norms is lacking. This is as true for regional and international standards as it is for national standards. For example, the European Social Charter sets out a detailed framework of social rights norms, which are defined in part by reference to equality principles (Lukas and O'Cinneide 2023.) State compliance with the Charter is monitored by the European Committee of Social Rights (ECSR), of which the author was a member for ten years. National governments that face domestic political and legal pressure to comply with the Charter – through, for example, trade union engagement with its provisions – are notably more engaged with this human rights instrument than are national governments that do not face similar pressures. A similar logic applies even to the ILO, whose internal systems for promoting and monitoring

state respect for such rights have come under internal pressure from the employer and national government legs of its tripartite governance structure (Silva 2022).

More generally, national governments are increasingly pushing back against both hard and soft elements of human rights law. The authority of even successful international human rights institutions, such as the European Court of Human Rights, is now regularly being challenged by the United Kingdom and some other states. Legislative measures have been introduced in a variety of different states with the aim of diluting such legal rights protection as exists at national level. And attempts to give more legal weight to socio-economic rights standards and other aspects of 'soft' human rights law, which could enhance its effectiveness as a tool for challenging embedded inequalities, often go nowhere.

## **5. Escaping the mire?**

Thus, we are left with progress towards a more equal society mired in political and legal stagnation. Even as the intellectual critique of inequality has reached new heights of insight and sophistication, our capacity as democratic societies to translate that critique into action is severely circumscribed. We lack effective collective mechanisms to convert demands for greater equality into concrete action. And mechanisms that have functioned well in this regard at different times in the past – such as trade union mobilisation, legislative reform and rights-focused strategic litigation – seem to lack the necessary cutting edge in current conditions to bring about change. The need for greater 'embedding' (as Polanyi put it) of social values within the functioning of the market economy is widely acknowledged, but generally not implemented. And so we remain stuck, mired in inequality.

How then might we overcome this collective action problem? Having diagnosed the stickiness of contemporary political and legal engagement with equality, and the gap between aspiration and reality in which democratic societies find themselves marooned, how do we go forward, bearing in mind that the exponential nature of many forms of contemporary inequality, and the looming impact of climate change, give particular urgency to this search for solutions?

Others will be better placed and more expert than me to comment on political solutions. It is clear that coalition-building and Weber's 'slow boring of wood' will be required, if a critical mass of political support for transformative equality measures is to be achieved. But this process will also have to be infused with a sense of urgency, and clear recognition of the damage that inequality is generating on a daily basis in our contemporary democratic societies.

Law will obviously have to play a role in this process, in its inevitably limited role as a handmaiden to political choice – or, at best, as a distinct sub-system of a wider political, economic and social order. By themselves, legal processes will not transform the world. But if momentum for incremental but agitated political change can develop, then legal processes can help to transmit and amplify such progress. And legal mechanisms and

norms can be designed in ways that help to orient political processes towards pro-equality ends, and provide a degree of resistance against attempts to roll back or deny recognition of equal status. Law may be subordinate to politics, but politics must often be channelled through the infrastructure of law – and that infrastructure can be incrementally engineered to favour particular types of policies, while being intolerant of others.

## **6. The incremental contribution of rights**

At first glance, human rights law may have an obvious role to play in this regard. It would appear to provide precisely the sort of structural pro-equality, pro-dignity coding that can help orientate the functioning of legal systems in desirable ways. There is a school of thought, however, that questions the value of relying on human rights law to make a difference in this context and warns of undesirable consequences.

Samuel Moyn has set out an influential critique of human rights as ‘not being enough’: he argues that the internal logic of human rights law as it has developed over time is too congruent with neoliberalism, in the sense that it is focused on protecting a ‘minimum core’ of human dignity instead of challenging existing structural or material inequality (Moyn 2018). Hopgood has argued that the human rights framework has become a global superstructure of norms, institutions and organisations that are excessively focused on protecting abstract rights values rather than engaging in concrete, specific, local struggles against injustice and unfairness (Hopgood 2013; see also Ignatieff 2017). Menke claims that a focus on rights serves to encourage depoliticisation and an excessive focus on atomic individualism, in particular by generating the perception that political battles for distributionist justice are just a struggle of private interests rather than a democratic process of collective public reasoning (Menke, 2020).

None of these critics advocate the wholesale ditching of human rights law as a legal structuring mechanism. But they question what they would see as a tendency to invest undue faith in rights, and tend to preach the virtues of ensuring legal systems remain suitably subordinate to the dynamics of agonistic political debate (see in particular Moyn 2018.)

There is plenty of value in these critiques. They sound a cautionary note against over-investment of faith in human rights law, which is wise. But such reservations can be exaggerated. As Hoffmann has argued in an insightful response to these critiques, they tend assume a greater degree of identification than actually exists between the individualistic values of the current neoliberal political and economic order, on one hand, and the core logic and concerns of the framework of human rights law as it has developed over time, on the other (Hoffmann 2022). Human rights norms may inevitably reflect the influence, limits and flaws of the political order that surrounds them, and should not be confused with more substantive, totalising horizons of emancipation. But they retain a unique capacity to articulate a commitment to equality of status that many other modes of political and legal discourse lack (Bhuta 2023).

Furthermore, the fact that human rights standards have been formally endorsed by contemporary democratic societies – something that critics too readily assume orientates rights discourse towards conformity – gives them a unique status and prestige. This in turn can make them relatively potent tools of internal contestation. Thus, for example, equality claims framed in the language of rights and non-discrimination are often more difficult to ignore than claims framed by reference to more radical discourses that attract less communal buy-in across society at large (O'Cinneide 2023). Rights claims also provide an effective mechanism for highlighting gaps between the professed normative values of contemporary democratic societies and the reality of the embedded inequalities that shape our collective existence. As Hoffmann puts it in a passage that is worth quoting at length:

Despite their individualizing form, the substance of rights, from personal autonomy to socio-economic well-being, always implies a shared space, a concrete utopia in which all are meant to collectively and conjointly enjoy what rights express... Individual rights claims are, from this vantage point, claims of equality, that is, claims to be treated as an equal part of human society when that equality is felt to be denied. As this denial is the base condition under capitalism for all, rights claims are, therefore, also always solidarity claims that are not confined to the individual claimant but always imply a hypothetical *erga omnes*. Finally, rights claims are also always political claims that articulate a counterfactual and potentially subversive insistence on human dignity in the face of its systemic denial under capitalism. While rights are no alternative to more fundamental ways of promoting change, neither are they just “bad politics”, not least as they remain one of the most deeply embedded forms for (re-)claiming the “real” value of humans. (Hoffmann 2022)

The particular potency of rights claims can be seen even amidst the ‘stickiness’ of the current political moment. National governments such as the United Kingdom, which are trying to minimise the influence of human rights law, have struggled to achieve their political objectives, in part because of the strength of political and legal opposition to their proposals. Climate change litigation structured in part around non-discrimination claims focused on younger generations is proceeding in various states, arguably showing the capacity of human rights law to evolve over time (Heri 2022). Anti-discrimination claims continue to be fought and won, even in the context of a global turn against minority rights (O'Cinneide 2023). The UN special rapporteur system continues to focus attention on embedded inequalities and their impact on fundamental rights (see, for example, De Schutter 2021).

## Conclusion

None of this is to suggest that ‘rights talk’ is a panacea, or a magic solvent that will help us escape the messiness and stagnation of our current political moment. At best it has a role to play in supplementing the hard work of political grafting that is necessary to achieve a more equal society. But its potential in this respect should not be underestimated.

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## **Part II**

### **Alternative narratives and policy solutions**



## Chapter 5

# Equality as an ingredient for a post-growth world

Olivier De Schutter, Kate Pickett and Richard Wilkinson

### 1. Social justice within planetary boundaries: the conventional narrative

Even more than the Great Financial Crisis of 2009–2011, the Covid-19 pandemic has forced upon us an exercise in imagination. It has triggered a search for new development models that would allow, not a return to the pre-crisis situation, but instead the construction of societies built anew: societies that improve the well-being of people *and* are resilient and sustainable, to slow down or reverse the gradual erosion of the ecosystems on which we depend. This is how debates on how to ‘build back better’ or on the content of the New Social Contract’ called for by UN Secretary-General António Guterres have been cast. These debates typically focus on where to strike the right balance between poverty reduction, on one hand, and how to change our production and consumption patterns, on the other, in order to remain within what scientists call the ‘planetary boundaries’. The challenge, as popularised in particular by the ‘Doughnut Economics’ framework developed by Kate Raworth (Raworth 2017), would be to remain within the ‘safe and just space for humanity’ that she defines, ensuring that all have access to a range of goods and services needed to lead a decent life, while at the same time shifting to lifestyles that limit resource use and the production of waste and pollution.

Framing the challenge as a *compromise* has become dominant: it is the conventional wisdom of the times. Poverty eradication and environmental sustainability are the two major components of the Sustainable Development Goals adopted to guide the efforts of the international community for the period 2015–2030. The assumption is that, while both objectives are desirable, they compete with one another, so that we would need to accept a kind of ‘mutual sacrifice’ of each: the fuller the range of capabilities provided to individuals, the higher the risk that we will continue to cross certain environmental thresholds. Thus the political debate must focus on how much of each objective we should aim to achieve. Hence the need to strike the right balance between them. The challenge would be to define a sort of ‘optimum’ or ‘sweet-spot’ position that would minimise the trade-offs to the fullest extent possible.

This framing of the debate is based on three interrelated assumptions. The first is that poverty is to be conceptualised as a lack of wealth or income, depriving poor households of access to the goods and services necessary to lead a decent life. The second assumption is that the ecological transformation of our production and consumption models will require important investments – for instance, in renewable energies, public transport or the retrofitting of buildings – so that the more we focus on realising social justice,

by funding public services and social protection, the less we would be able to move towards low-carbon societies and end the erosion of biodiversity, because the available ‘fiscal space’ cannot be expanded infinitely. The third assumption, finally and critically, is that economic growth – increasing monetary wealth or GDP – is essential for both poverty reduction and ecological transformation. In other words, it is by growing the size of the pie that the state would be able to support low-income households, combining progressive taxation with social policies, and to make the necessary investments for an environmentally sustainable future.

But are these assumptions correct? In what follows, we explain why we think they are not. We seek both to challenge the dominant framing and to propose an alternative view. We argue that, far from competing with one another, the objectives of social justice and ecological transformation are mutually supportive. The apparent conflict betrays a naïve viewpoint, which fails to understand how, by making the right choices – including the right investment choices – we can pursue both objectives at the same time. We also believe that the reliance on growth, which in the dominant narrative always functions as a way to alleviate the apparent tension between social justice and ecological transformation (by providing the fiscal space necessary to make green investments and achieve social justice at the same time), is problematic in its own right, and that we need to identify other avenues that can fulfil both objectives.

## **2. Reframing the challenge**

While ecological transformation and social justice are often presented as competing with one another, the apparent tension between the two is in fact the result of a lack of vision, both in how we conceive the fight against poverty or social exclusion, and in how we define the ecological transformation. As long as we see the former essentially as taking the form of a tax-and-transfer system in which wealth is created in order to be redistributed to support the lowest earners in society, and regard the latter as requiring environmental policies to compensate for the transformation of the world into a resource to exploit, the tension will remain real. This is not only because both objectives require significant investments, but also because the resources available are not infinite. It is also because those very investments, in order to be paid for, require monetary wealth to grow, even though the quest for growth fosters an extractive economy at great cost of human health and well-being. This cannot easily be reconciled with either social justice or environmental sustainability, let alone with a combination of the two.

Social justice, however, is not solely about compensating those who are unable to make a decent income by themselves, as waged or self-employed workers. It can also be about building an inclusive economy, one that provides employment opportunities for all those seeking to work and encourages investments supporting relatively labour-intensive production processes, combined with working time reductions to ensure a fair distribution of work across the active population. And the ecological transformation is not only about costly investments to accelerate the shift to renewable energy sources and better public transport infrastructures, or to improve the energy performance of buildings. It is also about changing the regulatory framework and reforming taxation.

For instance, the introduction of a carbon tax – ideally in the form of a sliding scale for domestic energy prices so households consuming less pay lower prices than those consuming more – and the phasing out of fossil fuel subsidies can be combined with support to low-income households to allow them to pay their energy bills. This would accelerate the shift to renewables in a way that is fiscally neutral. Furthermore, land use planning can try to reduce the distance between domicile and places of employment and education and therefore the need for motorised transport, while at the same time preventing the spatial segregation of the socially disadvantaged. Encouraging a shift to low-input (agroecological) farming can significantly mitigate the climate change impacts of food production, while at the same time creating employment opportunities in the farming sector, and making healthy foods more affordable for low-income groups.

These are all examples of measures that provide a ‘triple dividend’: they reduce the environmental impacts of production and consumption, while at the same time creating employment opportunities for people with lower qualifications and making the goods and services necessary for a life in dignity affordable for low-income households (De Schutter 2020; De Schutter et al. 2020). Such measures mostly pay for themselves, either because they have no budgetary implications (as is the case for land planning schemes), or because they increase public revenue to allow the state to pay for whatever public expenditures are needed (as with the introduction of a carbon tax).

If the first weakness of the conventional view is its lack of imagination, a second is its reliance on growth. The quest for growth is not sustainable as a means of expanding fiscal space and allowing investments in the greening of the economy or in social protection. It puts further pressure on resource use and results in higher levels of waste and pollution. The fabled ‘environmental Kuznets curve’ or other myths about ‘green growth’ or ‘ecological modernisation’ are increasingly being unmasked as fig leaves to obfuscate this tension. Growth, we suggest, cannot be a substitute for redistribution; and to address the twin challenges of poverty reduction and ecological transformation, the reduction of inequalities of wealth and income, not a general rise in affluence, should take priority. This is at the heart of the alternative we propose: a focus on reducing income and wealth inequalities as a means of supporting the greening of the economy and society.

### **3. The role of equality in the New Social Contract**

We argue that the persistence of wealth and income inequalities is incompatible with ecological transformation, and that the fight against inequalities, rather than growth followed by redistribution of its outcomes, should take priority. The link is obvious at the macro level, once we consider that the more the wealth created is spread equally across the population, the easier it will be to reconcile the minimisation of environmental impacts with poverty-reduction objectives. If the benefits of increased prosperity are redistributed to the worse off in society or – even better – if increased prosperity is created more equally across the social hierarchy, less growth will be required to meet the basic needs of all. And because growing the economy cannot be done without increasing the use of resources and the production of waste, including greenhouse

gas emissions responsible for climate disruption (Jackson 2017; Parrique et al. 2019), it is imperative that, where the economy still must grow – where poverty reduction depends on the further creation of wealth – it should do so in ways that maximise its positive impacts on lifting people out of poverty and minimise its ecological impacts.

Beyond that macro-level relationship between ‘inclusive’ growth and the ecological transformation, our argument that reducing inequalities should be at the heart of the ecological transformation is based on four main arguments. First, in affluent societies, poverty should be understood as relative, not absolute. Therefore, the fight against poverty should be less about growing the pie to ensure resources that can be mobilised to combat extreme destitution, than about redistributing the wealth and resources that we already have. Second, growth is not only less necessary than usually presumed, but it can also be counterproductive, in the sense that a general rise in affluence creates new needs and therefore new instances of deprivation. Third, growing inequalities enable certain major economic actors to exert a disproportionate influence on political decision-making, allowing them to veto reforms if they perceive them as against their interests. Fourth, because of the links between inequality and consumption patterns, addressing inequalities must be a key component of any pathway towards resource-efficient and low-carbon societies that incorporates lifestyle changes. We briefly summarise the first three arguments before developing the fourth argument, which is more complex and more rarely discussed.

These are not the only arguments in favour of putting the fight against inequalities at the heart of the new eco-social contract (for a more complete picture, see Wilkinson and Pickett 2022). In addition to the arguments detailed below, it would be important to put a brake on the consumption patterns of the wealthiest groups of the population. Not only is the environmental footprint of the rich so large that its reduction is crucial to bringing the environmental crisis under control (GSDR 2019: 17; Chancel and Piketty 2015), but such lifestyles have to some extent become a norm for others to emulate. To the extent that this happens it would only bring the threat of an ecological breakdown nearer. Greater equality, moreover, is a central determinant of both health and social well-being. If government policy is to prioritise well-being over economic growth, the reduction of wealth and income inequalities should be a major part of the project. Finally, greater equality leads people to be more cooperative and mutually supportive (Uslaner and Brown 2005; Wilkinson and Pickett 2009: 233; Wilkinson et al. 2010; De Schutter and Dedeurwaerdere 2022: chapter 7). It would make us more willing to pull together and provide mutual support as we face environmental emergencies and disasters. While space limitations prevent us from developing these arguments further, they further strengthen the case for equality that we make here.

### 3.1 ‘Modern’ poverty is relative, not absolute

It is commonly thought that poverty is mainly about a lack of income, which deprives people of access to the basic goods or services they need. This definition of poverty is also that of the Sustainable Development Goals. But it has two major shortcomings.

First, this understanding of poverty fails to take into account that the provision of public goods can, at least partly, compensate for a lack of income. The level of incomes required to lead a decent life, allowing people not only to meet their basic needs but also to avoid this kind of social exclusion, depends on which goods and services are allocated on the basis of one's ability to pay: in societies in which education and health care are free, for instance, or in which subsidised housing is available for low income-earners, lower incomes may nevertheless allow for the enjoyment of social rights, whereas in societies that do not provide such public goods, higher incomes will be necessary.

Combating poverty therefore should not only be about raising the living standards of the lowest income-earners or the poorest households by increasing post-market social transfers. It should also be about reducing the gap between the richest and poorest social groups by providing public goods, and using pre-market measures to create conditions to integrate people in a more inclusive economy.

Viewing poverty simply as a lack of income is characterised by an even more significant defect. It is based on an understanding of poverty as *absolute* deprivation, whereas, in affluent societies at least, people in poverty are affected mainly by *relative* poverty. Poverty depends, in other words, not only on the range of goods and services within one's purchasing power, but also on one's position on the social ladder. The latter is what enables one to meet – or not – certain social expectations and thus to avoid the shame or stigma that results from social exclusion. As noted by the great sociologist Peter Townsend, working in the context of the United Kingdom: 'Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the type of diet, participate in the activities and have the living conditions and the amenities which are customary, or at least widely encouraged or approved in the societies to which they belong. Their resources are so seriously below those commanded by the average family that they are in effect excluded from ordinary patterns, customs and activities' (Townsend 1979: 31). A similar view was presented, albeit rather differently, by social anthropologist Marshall Sahlins, who remarked that: 'Poverty is not a certain small amount of goods, nor is it just a relation between means and ends; above all it is a relation between people. Poverty is a social status. As such it is an invention of civilisation. It has grown with civilisation ... as an invidious distinction between classes' (Sahlins 1974: 37). The centrality of relative poverty to the lives of people in poverty was shown in a more recent study covering both rich and poor countries. It showed that, despite the enormous differences in the material living conditions of those in poverty in rich and poor countries, the experience of the poor in both settings was dominated by their low social status and feelings of shame, failure, self-loathing and disrespect (Walker et al. 2013). These feelings are strong enough for it to be quite normal for people in poverty to spend money on items to do with social acceptance and participation rather than on necessities, such as food. (Our discussion of income differences and poverty in this chapter focuses on inequality within rather than between societies because social comparisons and ranking are crucial to understanding how they are experienced.)

### 3.2 The quest for growth may be counterproductive

It follows from the preceding argument that growth will be insufficient to combat ‘modern’ poverty unless it is combined with redistribution. But growth is not only insufficient to combat poverty in and of itself; it can also be counterproductive. Indeed, the more items are produced at scale and enjoyed by the larger part of the population, the more they become indispensable for all: being deprived of access to these items makes you feel excluded. With his usual lucidity, Keynes distinguished in this regard two classes among human needs: ‘those needs which are absolute in the sense that we feel them whatever the situation of our fellow human beings may be, and those which are relative only in that their satisfaction lifts us above, makes us feel superior to, our fellows’. He remarked that the needs of the second class, the ‘relative’ needs that result from a desire to keep up with our neighbours or even jump ahead of them ‘may indeed be insatiable; for the higher the general level the higher still are they’ (Keynes 1932: 365–366). The result is what another great economist of the twentieth century, J.K. Galbraith, called the ‘dependence effect’: while it is ostensibly intended to satisfy pre-existing needs, production also creates new needs, as what was once the privilege of a happy few becomes a legitimate expectation for all to acquire and to enjoy (Galbraith 1968: chapter XI).

Indeed, in his own contribution to this discussion, Fred Hirsch noted that, as general affluence increases, larger portions of household expenditure go to the purchase of ‘positional goods’, such as a college degree or a new car, which are sought after because they allow one to distinguish oneself from others, to claim a certain rank within society. A rise in general affluence annuls the value, to individuals, of what positional goods they may acquire because once a large part of the population has access to such goods, the reward disappears. The benefits expected from the progress of material wealth, and from its extension to all groups of society thanks to mass production, thus end up cancelling themselves out. As regards positional goods, the value of the good to the individual depends on others not having access to it: my impressive-looking car is of much less value to me if the vast majority of my fellows have equally impressive cars, and not just a decent bicycle and a free train pass (Brighouse and Swift 2006). This is also why people care not only about *absolute* income, allowing them to acquire what they need to lead a decent life, but also about *relative* income. If they want to be able to acquire something that enables them to distinguish themselves from their fellow citizens, they will have to be richer than them (Hirsch 1977: 36).

### 3.3 Political economy

There is a third reason why the growth of inequalities is incompatible with the ecological transition: more unequal societies find it more difficult to adopt transformative policies, both because a move towards sustainability would meet widespread opposition unless people feel that the inevitable burdens of change, and of the policies necessary to drive it forward, are shared fairly (Wilkinson and Pickett 2022; and 2009: 221–222), and because of elites’ veto power to oppose any change that might threaten their privileged position. In the absence of major redistributive policies, people in poverty,



including large portions of what Guy Standing calls the ‘precariat’ (Standing 2011) will oppose measures such as carbon taxes introduced to deal with a crisis created predominantly by the rich. But in addition to the influence of the financial markets on political decision-making, which de-democratises the state, it has been widely documented that policymaking has been systematically skewed in favour of the most powerful corporations in recent years. The ability particularly of large corporations to distort even democratic processes has less to do with outright corruption or lobbying than with their ability to present themselves as the champions of economies of scale and of efficiency gains through the segmentation of the production processes across jurisdictions, and their control of worldwide logistical networks. Mass consumption requires mass production, and the emptying out of democratic politics has often been the price paid for both.

Martin Gilens and Benjamin Page have illustrated how decision-making by elected representatives systematically favours large corporations – the economic elites – betraying the expectations of ordinary people (Gilens 2012; Gilens and Page 2014). And while their empirical work focuses on the situation in the United States, where money plays a particularly important role in politics (Stiglitz 2013; Drutman 2015), this is not exceptional. In fact, this phenomenon has become worse with the growth of inequalities over the past 40 years. A study covering 136 countries for the period 1981–2011 shows that ‘as income inequality increases, rich people enjoy greater political power and respect for [their] civil liberties than poor people do’ (Cole 2018). Capture by economic elites has gone global. Whereas once it was the exception, now it is the rule (George 2015). It leads not only to what, in its flagship 2017 *Trade and Development Report*, the United Nations Conference for Trade and Development (UNCTAD) calls ‘the revenge of the rentiers’ – a phenomenon by which ‘increasing market concentration in leading sectors of the global economy and the growing market and lobbying powers of dominant corporations are creating a new form of global rentier capitalism to the detriment of balanced and inclusive growth for the many’ (UNCTAD 2017: 219) – but also to the gradual dismantling of protections for workers and low-income households, and diminished funding of public services that can reduce inequality, but are subject to permanent assault (Wisman 2013).

### 3.4 Inequality breeds unsustainable consumption

Our fourth argument for putting the fight against inequalities at the heart of the ecological transformation is based on the links between inequalities and consumption patterns (Pybus et al. 2022). Income and wealth inequalities stimulate the drive for status, and for a kind of consumption that responds to status anxiety, the fear that one will not be valued adequately in the eyes of others (Ridgeway 2014), or that one will not fulfil social expectations (de Botton 2004).

#### 3.4.1 Status consumption

Such a link exists, first, because inequality stimulates status competition and thus material consumption. We ‘want’ material things, for the most part, not merely because

of the comfort they provide, but for the message we send to those around us by owning or using them. This was a key insight of Veblen in his *Theory of the Leisure Class*: ‘the standard of expenditure which commonly guides our efforts’, he wrote more than a century ago, ‘is not the average, ordinary expenditure already achieved; it is an ideal of consumption that lies just beyond our reach, or to reach which requires some strain. The motive is emulation – the stimulus of an invidious comparison which prompts us to outdo those with whom we are in the habit of classing ourselves’ (Veblen 1994 [1899]: 64). This explains in part the permanent quest for more that characterises individual behaviour in more unequal societies: because ‘each class envies and emulates the class next above it in the social scale, while it rarely compares itself with those below or with those who are considerably in advance’ (id.), unequal societies stimulate a permanent race for status through consumption (see also Wilkinson and Pickett 2018: 152).

Indeed, social psychology has demonstrated that we attach more importance to our position in comparison with others against whom we rank ourselves than to our absolute levels of consumption (Dolan et al. 2008; Solnick and Hemenway 1998). Conversely, if we achieve greater equality, or if we move towards a society in which social positioning can be signalled by means other than consumption, status consumption decreases (Wilkinson and Pickett 2009: 226). Unsurprisingly therefore, whether it is measured by analysing the Google searches of consumers (and the frequency of searches on expensive brands) (Walasek and Brown 2015) or by analysing Twitter conversations (and the mentioning of such brands in these conversations) (Walasek et al. 2017), the attractiveness of conspicuous consumption is more important in more unequal societies. (It is also especially noticeable in urban settings, in which consumption is the privileged means to signal social status, due to the anonymity of the city (Currid-Halkett et al. 2019).

Status consumption leads to a specific form of planned obsolescence: as Fred Hirsch already noted (though he did not describe this as planned obsolescence), the more a good becomes widely available, the less it ‘signals’ social status (see also Ritzer 2001). Therefore, the search for status through consumption leads to a permanent quest for novel items that allow one to distinguish oneself from others: this explains the success of ‘brands’ (Mason, 1998), as well as the ‘Veblen paradox’, according to which, for certain goods, demand will increase with price, rather than decrease (Goenka and Thomas 2020).

### 3.4.2 Status anxiety

Status consumption is driven, in turn, by status anxiety. Status anxiety is higher in unequal societies because rank, by definition, matters more when differences between individuals or households are more pronounced (Wilkinson and Pickett 2018). Unequal societies therefore cause a specific type of stress: individuals fear that they will fall from one rank to the next, as a result of which they adopt a competitive attitude which consists of a quest for status above other objectives, at the expense both of their individual health and of social capital. Recent data on over 18,000 people in European countries, for example, confirms links between income inequality and physiological markers of inflammation (namely, high levels of concentration of C-reactive protein)

that are associated with chronic stress, with those in lower socioeconomic positions being worst affected (Layte et al. 2019). This is one important yet often underestimated reason why lower socio-economic status leads to lower life expectancy and poorer health: people in relative poverty experience greater stress due to economic insecurity and they are more subject to social status anxiety and social threat. This leads to a physiological response that increases the risks of heart disease, as well as of other pathologies such as type-2 diabetes and cancers (Tabassum et al. 2008; Tawakol et al. 2017), as well as mental ill health.

Inequality affects not only those with a lower socio-economic status, however, but also those on other ranks of the income distribution ladder. A 2007 cross-national survey of over 34,000 carried out in 31 European countries thus showed that respondents from low inequality countries reported less status anxiety (in response to the statement ‘some people look down on me because of my job situation or income’) than those in higher inequality countries at all points on the income rank curve (Layte and Whelan 2014). Indeed, in unequal societies, ‘status-seeking’ (which includes concerns about relative social position, awareness of social hierarchies and an assessment of how much the person relies on the opinions of other people) (Paskov et al. 2017), is more frequent and widespread than in more equal societies: where there is inequality, there is constant social comparison and a reduced sense of commonality and solidarity. And this is true at all income levels: the result is that, as all members worry about their social rank, social relationships are viewed as competitive rather than collaborative (Rodriguez-Bailon et al. 2020), resulting in heightened status anxiety and lowered social trust (Layte 2012; Delhey and Dragolov 2014).

Of course, being out of a job, living on a low income, not owning a home, or occupying a position perceived as inferior, all worsen status anxiety (Delhey et al. 2017). But status anxiety affects not only the lower ranks of society: for instance, levels of job satisfaction are reduced across all income groups in more unequal settings, perhaps related to concerns about the risk of being stuck at certain levels of the hierarchy in the absence of promotion, or of being demoted, or generally of not being able to meet societal expectations for success (Keshabyan and Day 2020). At the same time, status anxiety may be less significant at the two extremes of the income curve. At the lower end, socioeconomic disadvantage can sometimes lead to less status-seeking because in very unequal settings higher status can seem out of reach – ‘giving up’ rather than ‘keeping up with the Joneses’ (Delhey et al. 2017). At the higher end, among the richest part of the population, some studies suggest that status anxiety is less prevalent, and that higher levels of inequality may even lead to improved subjective well-being for those who are in the upper ranks: those in the highest quintile can ‘look down’ on others, leading to a sense of superiority which is a source of psychological benefit; and those in the second quintile can anticipate that they will climb up the ladder, a ‘tunnel effect’ (Hirschman and Rothschild 1973) that can itself bring about psychological benefits in the form of anticipated pleasure (Bartram 2022).

## 4. Conclusion

This chapter argues that the fight against inequalities of income and wealth should be central to the ecological transformation. Inequality can be reduced in two ways, however. One is by redistributing the wealth created by economic growth by means of tax-and-transfer policies: this is the classic role of the welfare state. Another approach is to seek to reduce inequality by transforming how the market itself operates: this is the role of an inclusive economy. The argument put forward here is also that this latter approach, pre-market rather than post-market, is far more promising. Indeed, as we face environmental breakdown, it may be the only viable long-term strategy. The implication is that more efforts should be made in support of the social and solidarity economy, economic democracy, and the reduction of working hours – reforms, in other words, that ensure that the economy works for the common good, so that compensatory measures are less needed (whether to repair the environmental costs of growth or to make up for the inequalities caused by the market). A sustainable economy is not simply one that minimises resource extraction and that recycles waste. It is also one that is inclusive by design, and in which choices are made democratically, by both the state and other social organisations.

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# Chapter 6

## The future concept of work

Nicola Countouris and Valerio De Stefano

### Introduction

For the past decade or so, both scholarly and policy work has explored extensively the broad topic of ‘the future of work’ from a number of perspectives and analytical standpoints. This exploration has been both descriptive and anticipatory in nature and intimately connected with technological change, and the development, in particular, of digital capitalism and the so-called gig economy.

This chapter engages with this rich and developing debate by focusing not so much on the ‘future of work’ angle but on its future ‘concept of work’ dimension. It does so in two ways. First, by exploring the legacy of the concept of subordination for the notion of work and the regulation of work relations. Second, by exploring an alternative idea (and legal definition) of ‘work’, based on the notion of ‘personal work relationship’ and its potential contribution to labour law in terms of ensuring that its standards apply to all socially relevant forms of work, and correspond to a number of twenty-first century societal necessities.

### 1. The legal concept of ‘work’

Unlike tigers, elephants or whales, concepts such as ‘work’ or ‘employment’ do not exist in an ontological sense.<sup>1</sup> Humans (and animals for that matter) perform plenty of activities that no society and no legal system seem to classify as work or employment. And, from looking after one’s offspring to caring for ageing relatives or finding a birthday present for your significant other, everyone would agree that some of these activities are not insignificant or trivial. Other human activities, however, are understood, conceptualised and defined as work or employment, in a way that, if not arbitrary, is typically contingent on specific societal preferences and functional in terms of particular structures of a certain period or place, even though the passage of time, and sometimes habit, can lead us to believe that these constructs are universal. For labour lawyers, such as the authors of this chapter, these constructs are also – and importantly – legal constructs. They are created by laws, statutes, regulations and judicial decisions, even where it could be claimed that these legal superstructures effectively encapsulate deeper societal, economic or political preferences and conventions. These laws ultimately dictate which activities amount to work or employment and which ones

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1. And even here there could be a debate, at least according to Jacques Derrida’s (2006) *L’Animal que donc je suis* (The animal that therefore I am), éditions Galilée.



‘deserve’ to be protected by employment protection legislation, collective agreements, social insurance and social security.

In a rather broad-brush way, it is possible to set out and contrast two alternative conceptual approaches that have been deployed to capture the concept of work that falls (or ought to fall) under the protective umbrella of contemporary labour and employment protection legislation. The first is linked to an idea of work linked to the concept of subordination. This approach, which remains the dominant one, and the concept of subordination underpin many of the existing legal institutions that shape labour law as we have known it for decades, institutions such as the contract of employment, the standard employment relationship and the notion of dependence (both legal and economic).

A second approach emerged, broadly speaking, in the latter decades of the twentieth century that advocates an extension of labour rights *au-delà de l'emploi*, beyond employment (to use the expression coined in 1999 by Alain Supiot and his colleagues),<sup>2</sup> which really meant ‘beyond subordinate employment’. We should warn our readers, at this stage, that we use the idea of ‘beyond employment’ as an umbrella term to describe a number of approaches that seek to extend labour protections to work relations that do not, strictly speaking, fall under the legal definition of the subordinate contract of employment. There are two main manifestations of this second approach. Again in very broad-brush terms, one effectively suggests that a ‘*tertium genus*’ and intermediate category of semi-dependent work exists between employment and self-employment to which ‘*some*’ labour rights should apply. And another in effect seeks to reconfigure the binary divide between employment and self-employment in order to extend ‘*all*’ labour rights (and new social rights) to a new, and broader, family of ‘personal work relations’ (Freedland and Kountouris 2011; Countouris and De Stefano 2019).

## 2. Work, subordination and unfreedom

The idea of subordination in employment and work arrangements may well be rooted in the past but it has such significant implications for the contemporary world of work, and any ideas on how to reshape it, that it is also projected into the future. Subordination, of course, is central to the notion of the employment relationship as it emerged in the twentieth century, and is considered a requirement for recognition of a contract of employment in most countries around the world. In turn, the existence of a contract of employment is still the fundamental condition for applying the most important employment and labour regulations and protective standards worldwide. In a nutshell, the subordination of a worker to an employer acts as the *quid pro quo* to justify the application of certain labour rights and protections that have two important, but contradictory, purposes: rebalancing what is clearly an unbalanced relationship of power and resources, and compensating workers for what, ultimately, remains an unbalanced relationship of power and resources (Supiot 1994; Dukes and Streeck 2022). Let us note that the notion of subordination and control crystallised by the

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2. See Supiot et al. (1999).



employment contract is also more significant and pervasive than any coordination power afforded under any other contract, and contracts for the performance of work in particular, in modern legal systems.

Subordination has been an ongoing topic of investigation by labour lawyers since the discipline's inception. Despite this, investigating the foundation and justification of subordination in modern democratic societies remains relevant and pressing. For example, Elizabeth Anderson, an American philosopher, has shown that at the dawn of industrialisation and the rise of modern factories, liberal thinkers such as John Locke, Adam Smith and Thomas Paine did not envision a society in which the majority of the population would be subjected to contracts of employment based on subordination. Anderson attributes this emergence of 'mass subordination' to the need of business organisations to take advantage of economies of scale, which required growth and the development of large bureaucratic structures underpinned by subordination. As Ronald Coase's *Theory of the Firm* highlights, she recalls, vertical integration necessitates hierarchy in the coordination of labour and capital for a productive organisation to function (Anderson 2017).

Nonetheless, the theory of the firm does not explain the extent to which the subordination of employees and business managerial prerogatives extends beyond what is necessary to coordinate individual work performances and integrate them into a business organisation. First, even today, employees are expected to show deference to their employers and supervisors and face discipline if they criticise their managers openly, regardless of the fairness of the criticism, other than with regard to managerial conduct that falls under whistleblower protection legislation. Second, employers have long had access to far-reaching disciplinary powers that are ostensibly asymmetrical. They can impose sanctions on employees for actions outside of work performance, such as social media posts or conduct outside the workplace. Employers' actions (think of some CEO's inopportune 'tweet' that causes the company's shares to tumble) that do not affect employees' working conditions directly, however, cannot generally be sanctioned by employees, either individually or collectively, and most legal systems do not acknowledge the power of 'private sanctions' in the hands of employees for these actions.

Coase's theories regarding the organisational foundations of employer power and managerial prerogatives fail to account for the extent to which these powers and prerogatives go beyond their necessary role in coordinating work performance. The exercise of managerial authority and the subjection of employees to the commands and directives of their supervisors and employers is widely accepted as a default component of employment relationships. This is evident in how lawmakers and courts treat it as such, with any limitations to these powers considered exceptions to the norm rather than the other way around. Despite nearly two centuries of employment and labour legislation, legal restrictions on management powers remain islands in an ocean of subordination.

In fact, it could be argued that the concept of subordination has reinforced this problem by giving sufficient legal contractual structure to the legitimate exercise of managerial

powers. In this sense, it could be argued that Coase's account of hierarchy in firms also overlooks that managerial prerogatives and employees' subordination are not simply products of economic development but are rooted in legal norms. The subordination that we still experience today, and the duty of obedience to employers and loyalty to them related to it, is a by-product and legacy of legislation such as the Master and Servants Acts (Deakin and Wilkinson 2005) and loyalty-based feudal legal concepts such as *Treupflicht* in Germany.

Beyond offering a somewhat sanitised picture of the economic roots of subordination, the theory of the firm essentially neglects the legal and public origins of hierarchy and authority at work, something which also risks being overlooked when rooting and justifying the subordination inherent in employment relationships in the notion that workers freely consent to this subordination when entering into employment contracts. This is of course a mere legal fiction that warrants a critical re-examination of free will in contractual work relations. This is not only because, as is evident, in the absence of alternative economic resources, most workers, both before and since the Industrial Revolution, have not been truly free to enter into employment contracts or other work arrangements, being at best 'free' to choose between which employer to submit to or starvation. But it is also because, in parallel with the adoption of laws fostering the emergence of the modern contract of employment, societies have sought to restrict substantially people's ability to obtain a living without 'earning' one, with social security (let alone social insurance) systems shaped accordingly and intertwining with, and mutually reinforcing, a rather tight 'work line', most visibly through the more recent degeneration of the welfare state into the workfare state. Laws against begging and vagrancy were adopted throughout Europe at the beginning of the modern era and the United Kingdom, as well as the southern states of the United States after the abolition of slavery often provided for confinement in workhouses and prisons (matched by *Arbeitshäuser* and *dépôts de mendicité* on the continent of Europe), and imposed forced labour on those who were capable of working but unable to support themselves through their own means and did not accept work under a master or serve as apprentices (and in some cases also when they could not find opportunities to work). Similarly, social security systems all over the world (at least that part of the world that is familiar with the idea of social security systems) have been increasingly tied to notions of conditionality, welfare to work or activation in ways that have further reduced people's 'freedom', systematically corralling them into a realm of work in which choice becomes an ephemeral concept.

Importantly, these assumptions were also fundamentally shaped by notions pertaining to broader movements and ideals of governance that ultimately aimed at exerting control and discipline over fundamental aspects of people's lives, particularly the bodies and minds of the working classes. The work of Michel Foucault has thoroughly detailed how the transition to modernity was characterised by a pervasive governmental attitude towards discipline, aimed at transforming individuals into obedient bodies subject to regulation, supervision and monitoring as if they were mere components of a productive machine. Institutions such as schools, prisons, hospitals, workhouses, barracks and factories were integral components of this 'disciplined society' (Foucault 1961 and 1975).

Employers' control and sovereignty over the bodies of workers, their time and places of work does not appear to have generally diminished that much since the onset of industrialisation. In fact, a non-negligible part of the business community openly asserts the right to exercise increasingly detailed surveillance over these aspects through new technological control tools that, in different guises, apply both to blue-collar workers in factories, warehouses and more peripatetic set-ups, and white-collar workers in offices and, increasingly, at home. An exponential increase in surveillance has more than compensated, at least *in fieri*, for the loss of control deriving from remote work practices such as telework, remote working and platform work. Some of these surveillance tools have also allowed businesses to refuse or claim back payment of wages to workers for the time that the software deemed them 'idle'. A court in British Columbia went so far as to label a worker's submission of timesheets for periods that, thanks to surveillance software, they were considered not to have been working as 'time theft'.<sup>3</sup> The idea that employers have so much control over periods of work that they can be deemed to 'own' the time that can thus be 'stolen' by a worker – something that recalls Blackstone's proto-industrial understanding of contracts of service – is ironically being kept alive and well by modern technologies and business practices.

All this signals not only that the current mainstream managerial culture will not tolerate any reduction in the intensity of surveillance, underpinned by subordination, of workers but also that the 'natural' reduction in physical and bureaucratic control over workspaces inherent in technologically mediated forms of work, such as homework, telework, peripatetic work and other forms of remote work, is not acceptable under a culture premised on subordination. So much so that any reduction in these pre-modern forms of control has had to be accompanied by an intensification of other forms of control through remote technologies. As a result of this culture, workers who, at least on paper, may be subject to less control over the times and places of their performance, such as certain platform workers or, really, any other professionals asked to perform task-based work, are perceived as entirely exorbitant as regards the notion of employment relationship. Employment relationships and their 'protective status' are imaginable only in the presence of constant and meticulous supervision and subordination. What a paradox for a discipline, labour law, that was – and in many ways remains – premised on the idea of enfranchising the disenfranchised, liberating the subordinate and freeing the unfree.

### 3. The idea of personal work

In contrast to this particular, and in our view rather narrow, vision of work in capitalist societies as associated with and shaped by the idea of 'subordination', in earlier co-authored work and in work co-authored with other colleagues, in particular Mark R. Freedland (Freedland and Kountouris 2011; Kountouris and De Stefano 2019), the authors of this chapter have sought to develop and define a different and broader idea of work as linked to the notion of personal work or personal labour. The idea is that work should be understood as any human activity (or product of that activity, including

3. British Columbia, Civil Resolution Tribunal, *Besse v Reach CPA Inc.*, 2023 BCCRT 27.

the provision of goods and services) that is predominantly the result of a person's own labour as opposed to being the result of the use of somebody else's labour or the result of an intensive use of capital (Freedland and Kountouris 2012). This concept is much broader than the concept of subordinate employment in that it transcends the traditional divide between, for instance, subordination and autonomy, in the sense that it acknowledges that personal work can be performed both under contracts (or relations) characterised by a nexus of subordination with an employer/business, but also under relations in which such a nexus does not exist, either in the canonical sense of an employer controlling and directing the performance of work or in the more nuanced sense of an employer/principal simply organising that performance by various means linked to their own organisation of capital (Countouris and De Stefano 2021).

In marked contrast to the notion of 'tertium genus', namely, work 'of a third category' somewhere between employment and self-employment and shaped by concepts of quasi-subordination or economic dependence, the idea of 'personal work' was conceived to break the binary mould and expand the personal scope of application of the entire universe of labour law protections, broadly understood as including both individual employment law, collective labour rights and equality law, to all those earning a living mainly from their personal labour, as opposed to living mainly off other people's labour and from capital assets. The only activities that this concept sought to exclude from its scope were therefore those that, in previous writings, we have described as amounting to genuine business activities performed by people operating a business on their own account, typically by employing others (in a way that would negate the 'predominantly personal' nature of the work that may be provided) or by being the result of an intensive use of capital (in a way that may amount to value extraction from capital rather than 'labour').

This second, broader idea of 'personal work' is slowly emerging and establishing itself in some 'niche' areas of regulation characterised by the growing societal perception of the need to extend labour rights beyond the traditional strictures of subordinate employment. The most recent deployment of this concept for this purpose can be found in a judgment issued by the Court of Justice of the EU in January 2023, in Case C-356/21, *JK v TP SA*.<sup>4</sup> The Court, to a large extent following the Opinion of the Advocate General in the case, decided that because 'the activity pursued by the applicant constitutes a genuine and effective occupational activity, pursued on a personal and regular basis for the same recipient, enabling the applicant to earn his livelihood, in whole or in part' it was worthy of protection under EU anti-discrimination legislation. Similarly, the EU Commission's 'Guidelines on the application of Union competition law to collective agreements regarding the working conditions of solo self-employed persons' of 2022 (EU Commission 2022), also relied on the concept of personal work to expand the immunity of collective bargaining from competition law when collective agreements govern the working conditions of people 'who work on their own and primarily rely on their own personal labour to make a living'.

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4. Judgment of the Court of Justice of the European Union of 12 January 2023, *TP (Monteur audiovisuel pour la télévision publique)*, C-356/21, ECLI:EU:C:2023:9.

We posit with a certain degree of confidence that, in the future, there will be no shortage of new examples of deployment of the concept of personal work to expand the scope of labour legislation, at the EU and at the national level. Most obviously the concept will permeate all EU anti-discrimination instruments that are phrased along the lines of Directive 2000/78, the directive whose scope was applied and expanded in the *JK v TP* case. We venture to suggest that it will then be deployed to reshape, possibly at the hands of the European judiciary, all other EU instruments that are characterised by a certain degree of universality and can be understood as applying to ‘all workers’, instruments that protect fundamental labour rights such as freedom of association, collective bargaining, but also health and safety at work. Along with this process of jurisprudential extension we expect some refinement, clarification and perhaps the elimination of some unnecessary add-ons devised by the Court in *JK v TP*, such as the requirement that the activity be ‘genuine and effective’, ‘occupational’, or pursued on a ‘regular basis’ and for ‘the same recipient’. These are all unnecessary add-ons that both restrict the potential of the concept of personal work and are not in tune with the developments affecting the world of work in the twenty-first century, including the technological developments associated with a greater use of platform-based labour and AI-optimisation of labour.

But it is also important to point out that the idea of personal work was not conceived in terms of incrementalism, it was conceived in terms of transformation. A use of the concept that merely extended ‘some’ protections to ‘some’ workers would be a clear ‘underuse’ of its transformative potential. Not only would it, in effect, create another blurred intermediate ‘third category’, but it would deprive the world of work of the liberating potential resulting from the demise of the idea of ‘subordination’, a demise that is inherent in the broader concept of personal work.

The concept of personal work, of course, does not imply the complete dismantling of all third-party coordination powers over the labour performed by humans. However, by separating the application and scope of protective regimes from the necessity of the existence of subordination in a work arrangement for it to fall into those regimes, personal work would greatly facilitate the reduction of those coordination powers to elements that are strictly necessary and proportionate to organising labour, as opposed to organising (and, in reality, imposing submission upon) labourers. This would in turn liberate work arrangements from the idea that management may advance claims for control and discipline over workers’ off-duty activities. Moreover, by abandoning control and subordination as the chief criteria for access to labour and employment protections, the concept of personal work can put up more substantial barriers against demands for supervision and micromanagement of workers, even related to technological developments, which can be considered arbitrary and excessive. For instance, this may make it possible to call into question the idea that management has a unilateral power to permit or revoke remote work for working activities that can actually be performed remotely because it would dispel the claim that remote work can be ‘granted’ only if accompanied by stringent algorithmic monitoring (Countouris and De Stefano 2023). No less importantly, it would empower workers vis-à-vis technology (at least the technology owned by the ‘firm’), ensuring that the ‘human monitoring’ and ‘human review’ of automated, AI-dictated decisions can be performed by workers who

are not subordinate to the owners of the very same means of production that they are supposed to monitor and, if necessary, overrule.

This would of course necessitate a transformative revision of labour law statutes in their entirety, including those chapters that deal with reasonable managerial instructions, discipline (a term that would have to be removed) and termination of work relations. But this transformative revision would be greatly facilitated by the use of the transformative idea of personal work.

#### **4. Some future challenges for the ideas of labour law and personal work**

In these concluding paragraphs we would like to tease out the potential for the idea and legal category of personal work to address a number of ulterior challenges shaping (and at times reshaping) productive arrangements/processes in capitalist societies, including automation/heteromation; unpaid gendered labour; and attempts to address climate change via a ‘just transition’ strategy. This is just a preliminary exploration of this potential, to be developed further in future work.

##### **4.1 Automation, heteromation and personal work**

The concept of ‘heteromation’ was coined by Ekbja and Nardi (2017) and, in separate but contemporaneous work, by Standing (2011). In a nutshell it serves the purpose of describing a number of seeming automation processes as amounting to ‘faux-automation’ in that these process still rely extensively on, and even require, human labour, except that the human labour is rendered invisible by the processes themselves (that perhaps disguise them as activities of consumption, or activities of leisure, or other activities of a voluntary and unremunerated character). Think about activities such as checking in online instead of the airline staff doing it for passengers at the counter in the airport – it is ultimately through the contribution of one’s human input (which, however, is not regarded as amounting to work, even where it substitutes prior forms of human input that clearly amounted to work) that the automated process performs its function. Or of activities such as performing a search through an internet-based search engine in a way that contributes to refining and increasing the value of the engine’s algorithm, generating wealth for the business that owns it and profits for its shareholders. This is another activity that the social structures and conventions that tend to define and conceive labour in a narrow way (including the concept of ‘contract of employment’) would not see as labour, work or employment in any way.

Can the idea of personal work encapsulate these types of activities that, while not amounting to ‘employment’ in the narrow sense, still perform a functionally equivalent role to that of labour when it meets capital, that is, the production of value, wealth and profit? We believe and argue that it is possible for the concept of personal work to do so, albeit under certain conditions and, in particular, through a more focused insistence precisely on the ‘function’ that personal work performs in a capitalist society, shifting



the emphasis from the individual performance of work to the collective and cumulative contribution to value chains. This re-elaboration of the concept would require engaging with a number of new dimensions of this problem, from the role of human labour in the ‘metaverse’ to human–machine interaction in what Ekbja defines as ‘unimation’ (a dialectical synthesis of ‘automation’ and ‘heteromation’). But it is clear to us, and it would be clear to many, that the concept of ‘personal work’ has far more potential than any concept linked to the idea of subordination or dependence.

## 4.2 Unpaid gendered labour

The idea of ‘personal work’ has already been deconstructed with regard to some dimensions of unremunerated/unpaid work and in particular with regard to the issue of unremunerated gendered labour. The work of Fredman and Fudge persuasively elaborate on the potential of the concept for this particular domain (2013; see also 2016). In their analysis, Fredman and Fudge explore and further develop the ‘worker focus’ dimension of personal work, and the fact that the ‘PWR approach allows us to find other sources of costbearing and risk-sharing, such as the State, mutual funds such as national insurance etc.’. This in effect transforms the traditional bilateral notion of work that regards subordinate employment as necessarily tied to a single employer, accepting instead that employer-like liabilities – from remuneration to maternity rights – can accrue elsewhere, even in the absence of a formal employer in the traditional sense. In their words, the PWR model is helpful in showing informal and unpaid gendered labour as ‘just one manifestation of what is usual but hidden in labor law, namely, a cluster of numerous personal work relations’ (Fredman and Fudge 2013: 122), also noting that ‘because the personal work nexus can involve several participants, there is nothing against multiple sources of liability’ (Fredman and Fudge 2013: 120).

This expansive use of the idea of personal work is particularly relevant to the new realities and challenges of unpaid gendered labour, especially those that emerged during the pandemic and with the progressive shift to various patterns of remote work often blurring and further confounding the lines between the productive, reproductive, paid and unpaid labour of women in particular. Full deployment of the idea of personal work to cover these forms of work would require a more marked shift of focus from the individual and personal dimension of work to the aggregate effect that human and, in particular, female labour has on the system of production, consumption and accumulation in modern societies.

## 4.3 Climate change and just transition

It is increasingly clear that the transformations necessary to attune our patterns and systems of production and consumption to the climate change mitigation targets and imperatives will have a disruptive effect on economic and labour relations as we have known them hitherto. The impact on the employment relationship is not to be underestimated. Jobs will be created but also destroyed for the sake of achieving

climate objectives. We predict that in the course of this transition, restructuring processes will further fragment the continuity and bilaterality dimensions of the standard employment relationship, including for the sake of carbon emissions reduction with spells of unemployment, underemployment and retraining/reskilling being interspersed with periods of work, employment and activity. The organisation and performance of work will also be redesigned with carbon reduction targets in mind. This could involve more remote work, shorter working weeks and new jobs in sectors or activities that are actively designed (including through job-creation and job-guarantee policies) to reduce carbon emissions and facilitate or accelerate the transition.

The cost of these restructuring and reskilling processes will have to be spread, or ‘mutualised’ to use an expression deployed in the context of personal work analysis, in hitherto unexplored ways, because the more these costs are dispersed from workers alone, and shouldered by employers, businesses and society at large, the faster and fairer these transitions will be. This will require a different way of thinking about the interaction and relationship between social security systems, social insurance mechanisms and work, and of course about different financing structures for each of these three dimensions. The debate will most likely not be about whether some form of guaranteed basic income should exist, whether social security systems should become more generous and more universalistic, whether social insurance should become less prominent, whether the welfare state should be used to incentivise green jobs, or whether a broader concept of work should be embraced and protected by labour law. The debate will be about how basic income schemes can interact with a broader concept of waged labour and the role that social insurance and labour market policies should play in fostering green and just transitions and inequality reduction. The move towards universalism in order to compensate for the uncertainties that the transitions will inevitably generate will accelerate once it becomes clear that reaching climate goals requires an unprecedented commitment to carbon reduction.

## **5. Conclusions – personal work and human progress**

This chapter has sought to push further the conceptual boundaries of the idea of ‘personal work relationship’ in order to explore its transformative potential in respect of some, increasingly evident, shortcomings of the more traditional notion of labour law, but also to explore its possible contributions to resolving three fundamental challenges that confront twenty-first century societies: automation, unpaid gendered labour, and a just and green transition. Throughout the chapter we have argued that the universalistic potential of the idea of ‘personal work’ lends itself much better than any other concept of work based on subordination or dependence to the establishment of a new social contract based on an idea of sustainability. Personal work is an idea with a clear transformative potential. Whether it will fully deliver on its potential, however, is a matter that will ultimately be decided by the very uneven struggle that the concept of personal work seeks, ultimately, to redress, the struggle between Capital and Labour, ensuring for the latter a fair share of the fruits of progress and greater agency in shaping its very idea.



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## **Chapter 7**

### **The era of chronic uncertainty: a transformational opportunity**

**Guy Standing**

We are living in a transformational moment, a crisis, in which the world could lurch into a dark night of authoritarianism, philistinism and neo-fascism or could make a decisive turn into a new age of Enlightenment.

We are also living in an age of chronic uncertainty, in which crises pile into one another, plunging millions of people in almost every country deeper into social and economic insecurity, impoverishment, stress and ill-health. There was the financial crash of 2008, followed by more than a decade of austerity, a series of six pandemics culminating in Covid-19, with more to follow, and now the ‘cost-of-living’ crisis as inflation surges, exposing more people to unsustainable pressures.

Nassim Taleb (2007) coined the term ‘black swans’ to designate shocks that were rare, unpredictable and had devastating consequences. Now, they are not rare at all. But they are uncertain in terms of when, where and why they occur and who will be adversely affected. As such, you and I cannot be confident that we will not be among the victims.

There is something else, too. It looks as if a larger and larger proportion of the population will be affected by the shocks. It was predicted, for example, that 45 million people in Britain – two-thirds of the population – would suffer from fuel-related hardship during the winter of 2022–23, bringing more deaths and ill-health. Natural disasters, such as extreme weather events, hit numerous whole communities, and being in a job these days is far from a guarantee of escaping poverty or economic insecurity.

Three deductions should flow from this bleak scenario. First, feasible economic growth will not overcome the threats. Second, the old social policies are not valid for tackling the new crises. Third, we need to build societal robustness (immunity to shocks) and societal resilience (ability to cope with and recover from shocks), based on a new income distribution system and a new social protection system. ‘Targeting’ assistance on a minority would be futile and inequitable, if only because a majority are actually vulnerable.

And yet there is an awful hesitancy on the left. At times, it has appeared as if leaders of ‘left’ parties are sleepwalking into self-defeating timidity, bringing to mind Gramsci’s chilling aphorism written from prison in 1930:

The crisis consists precisely in the fact that the old is dying and the new cannot be born; in this interregnum a great variety of morbid symptoms appear.

Appeasement is in the air. So-called leftish political parties criticise the plutocracy, and yet accept their largesse in the form of donations and media support. Their leaders take every opportunity to tell 'business' that it will be safe in their hands. The political plane is occupied by social democratic 'think tanks', seeking and exuding respectability, seeking 'relevance' and eagerly expressing 'moderation', granting them continuing access to benevolent 'donors'.

There is a prevailing fear of the grand narrative or vision of the future, and a willingness to play the game with rules set by the rulers, the financiers and the plutocracy. That must end.

## **1. From neo-liberalism to rentier capitalism**

After the collapse of the essentially social democratic social consensus in the 1970s, which marked the end of welfare state capitalism, the world entered an era of neo-liberal economic revolution, derived from the Chicago School of law and economics and the ideology of the Mont Pelerin Society, pushed into reality by Thatcher, Reagan and their followers.

This legitimised a vocabulary of 'free market economy' and 'deregulation'. But what it really did was set up the 'disembedded' phase of the Global Transformation, analogous to the nineteenth century period of laissez-faire described in Karl Polanyi's *Great Transformation* (1944). However, whereas what Polanyi had described was the construction of national market economies this was about the painful construction of a global market economy.

In both cases, the initial disembedded phase marked the ascendancy of financial capital and the deceptive use of the notion of 'deregulation' as a smokescreen for a new system of state regulation, one firmly in favour of capital and of tighter regulation of those dependent on labour for their livelihoods.

Neo-liberalism had run its course by the 1990s, and it is misleading and counter-productive to couch analysis today as if we were living in a neo-liberal era. On the contrary, the regulations, institutions and structures of policies constructed since the 1990s have created the most unfree market economy ever envisaged. It is economically illiterate to call what we have today a 'free market'. It is best described as rentier capitalism (Standing 2016 [2021]; Christophers 2020).

The essence of this current form of capitalism is best captured by the term Polanyi used, namely that the economy is *disembedded* from society. It does not serve the needs of society. It represents the triumph of private property rights over the 'free market' and citizenship rights. A free market might be bad, but this is worse. In the process, more and more of the income generated flows to the possessors of private property – physical, financial and what is converted from the intellectual commons into 'intellectual property'.

Metaphorically, finance has become the tail that wags the dog, the economy. Even before Covid-19 struck, probably leading to further growth, financial assets held by financial institutions had risen to well over 1000 per cent of GDP in the United Kingdom, and were not much smaller in Japan (739 per cent), France (649 per cent), Canada (648 per cent), the United States (509 per cent), Germany (461 per cent) and Italy (396 per cent), among other countries.

Correspondingly, the functional distribution of income has shifted, with the share going to capital rising remorselessly, the share going to labour and work declining, and with a rising proportion of the former taking the form of rent. What makes the situation worse is that more of the income gained by rentiers has been concealed in tax havens. And if that was not enough, finance has been able to capture the state, with ‘revolving doors’ between very senior political positions and executive posts in financial giants, most notably BlackRock and Goldman Sachs.

Another feature of rentier capitalism has been the systematic *plunder of the commons*, through enclosing, privatising, commodifying and financialising all that had been regarded historically as the natural, civil, social, cultural and intellectual commons, turning them all into sources of rentier income, increasingly concentrated in the hands of private equity (Standing 2019). This has even been extended on a grand scale in the rapidly expanding blue economy, the productive activities in the seas of the world (Standing 2022).

The plunder of the commons has eroded the basis of *social income*, the informal system of social protection. Loss of the commons has also made society more fragile and more unequal. We will return to the implications of the plunder in thinking of what the progressive strategy should be for the Global Transformation. But first we need to recall two other correlates of rentier capitalism and the disembedded phase of that transformation.

## 2. From labour insecurity to chronic uncertainty

In the era of welfare state capitalism in the middle decades of the twentieth century, when the trades unions were at their peak, in a period associated with institutionalised collective bargaining, tripartism, the ILO model of labour-based social security, statutory minimum wages and the like, western European countries were essentially closed economies, with similar labour standards and producing similar goods, and in which the main forms of economic insecurity were labour-related. This was never a wholly accurate characterisation, but it was the norm, to which a majority of the population could relate.

The main forms of insecurity could be covered by reference to ‘contingency risks’ and what William Beveridge famously described as temporary ‘interruption of earning power’, for which forms of social insurance could be devised, based on contributions and compensatory payments to those hit by misfortune, be it by unemployment, accidents, illness or disability. The social security systems that were developed and

extended were predicated on a presumption of near full employment, which meant that the masses were in full-time stable jobs. Again, this was never actually correct, and the system was always profoundly sexist, for example. But it was progressive by the standards of the previous century.

Whatever its merits and demerits, that age has gone. But social democrats (with distinguished exceptions) have clung on to the old agenda and vocabulary, calling for more jobs, for full employment, for labour-based welfare, and in the end becoming atavistic and reactionary, in supporting means-testing, behaviour-testing and conditional social security schemes, often – again, with honourable exceptions – doing more to promote forms of workfare than their ostensible political opponents on the right. This was brought to a peak in the Third Way reaction to neo-liberalism, led by Wim Kok, Bill Clinton, Tony Blair and Gerhard Schroeder in the 1990s.

It was an attempted compromise with finance and rentier capitalism, accepting the core of the neo-liberal model, through ‘labour market flexibility’, conditional residual welfare and central bank independence, while targeting public spending on reducing absolute poverty, particularly child poverty. The trouble was that this model institutionalised inequality and gave the rentiers what they wanted, legitimacy. And it was incredibly naïve. Finance does not do compromise.

Since then, in defensive mode, too many social democratic parties have tended to support their core voters, without showing a real sense of solidarity with the emerging precariat and with those beneath them in a lumpen-precariat, detached from the mainstream labour market. And most in the precariat feel it and have repaid social democratic parties by deserting them in droves. This has been a tragedy for all sides. We need strong collective bodies and strong progressive political movements.

However, there has been a crucial change in the nature of the main pattern of economic insecurity. With the combination of globalisation, rentier capitalism and the ecological crisis epitomised by global warming and the on-rushing threat of the extinction of species and life-support systems, the fundamental source of social and economic insecurity is chronic uncertainty. We feel confronted by ‘unknown unknowns’. This causes mass fear, mass stress, literally an existential crisis, and a tendency of many people to turn to atavistic populists and neo-fascists, the list of whom grows longer by the day.

With contingency risks, such as unemployment, one can in theory make actuarial calculations of the probability of being hit by an adverse outcome and devise insurance systems to give what is, in effect, a promise of ex post compensation. But with uncertainty, as understood in economics, one cannot predict the probability of adverse events. And to make the existential threat so much worse, one cannot predict the cost or the ability to cope with the outcomes or the ability to recover from the outcomes.

Chronic uncertainty is the dominant reality in the twenty-first century. The left is still largely addressing economic insecurity as if it was mainly a matter of covering contingency risks. So, they propose stronger minimum wage regulations, more union

rights, shorter labour time, job guarantees, so-called ‘universal basic services’ and so on. Most of those things may be laudable. But they are not addressing the fundamental structural features of rentier capitalism.

The other side of the picture of chronic uncertainty is that whenever there is a systemic shock or crisis, governments and central banks have reacted by rushing to prop up the system, believing that unless they provide assistance to big finance and big corporations, a great recession will envelope them, swamped by a deluge of unpaid debt, homelessness and unemployment. Governments and independent central banks, having aided the growth and concentration of finance and rent-seeking capital, are, as the saying goes, weeping crocodile tears in rushing to prop up finance on the grounds that they are ‘too big to fail’.

This happened after 2008 in response to the financial crisis, when the banks that had caused the crisis were re-financialised, and it happened in response to Covid-19, when, besides giving huge subsidised loans to well-capitalised corporations, governments and central banks introduced the most regressive social policy in history in job furlough schemes, which social democratic parties endorsed with enthusiasm. They should have known the measures would increase inequalities and lead to massive fraud. Yet even when the fraud was exposed, politicians across the spectrum demanded they should be continued.

No doubt one could rationalise the reactions in several ways. That should not disguise the fact that this is the end of the road, when governments are merely reacting hastily and regressively to each successive crisis, always leaving vast numbers of people suffering in unsustainable debt and life-threatening stress.

There must be a new transformative strategy rather than acquiescence to the restorative needs of rentier capitalism and ad hoc reactions to increasingly frequent shocks. The reality is that there is a lack of robustness, at both individual and societal level, because more people are vulnerable and more cannot avoid being hit. This is combined with a lack of *resilience*, that is, a lack of capacity to cope with and recover from what are economic shocks, whether they stem from economic failures, natural disasters or pandemics.

A progressive response to that would be to build a system of social protection based on providing *ex ante protection*, not just *ex post* compensation. So far, the mainstream social democratic left has resolutely refused to confront this challenge.

### **3. The precariat rumbling**

Meanwhile, rentier capitalism, globalisation and the ongoing technological revolution have produced a new global class structure. Here we need not repeat a description of how this has taken shape or its exact characteristics (Standing 2011 [2021]). But several of its features are crucial to this chapter’s narrative and proposals.

The first is that higher-income groups have been recipients of rentier income, while the emerging mass class has been exploited by rentier mechanisms. Thus, the plutocracy, elite and salariat have all been gaining from the entrenchment of rentier capitalism, and thus have supported political parties and politicians defending it. The proletariat, the old mass working class, has not been gaining from rents, but has also not been systematically exploited by rentier mechanisms. By contrast, the new mass class, the precariat, has been exploited not just through low, volatile and uncertain wages but also virulently through rent extraction, primarily through diverse forms of debt.

The other most relevant aspect of the precariat is its distinctive relations of production. Those in it know that the jobs available, or likely to become available in the near future, are unlikely to provide income adequacy or security, let alone enable them to pursue their occupational dreams. But the educated part of the precariat also recognise that jobs per se are, or should not be, the focus of their lives. It is the work they do outside their immediate jobs that matters for their self-realisation.

This is the first time in history when the mass working class has an average level of formal education that is greater than the level of job they can reasonably expect to obtain or retain. This leads not just to a sense of status frustration but to an orientation to a new way of working and living. This is potentially transformative and could represent a dialectic synthesis of time-use patterns. In the distant pre-capitalistic past, the predominant pattern of working and living could be described as ‘commoning’ – doing shared activities in and with the commons. To do labour, paid or unpaid, was a badge of shame, alienated activity.

Only with capitalism did the majority become sucked into labour, into jobs, into positions of subordination. Then social democrats and state socialists struggled to put more people into decent labour, wanting as many people as possible in employment, that is, in positions of subordination to bosses. Anybody not in a job was ‘parasitic’ and, if necessary, should be coerced into a job.

There is still a strong streak of that way of thinking in social democratic and labour movements. What northern European social democrats called ‘the work line’ has always been really ‘the labour line’. Doing unpaid care did not count as work. Not being in a job was a social sin.

The educated precariat does not suffer from that false consciousness. They do not expect ‘happiness’ from jobs; they require jobs as instrumental. The social democrats joined the political right in saying that everybody wants to be in a job and derive their dignity and happiness through being in a job.

The popularity of David Graeber’s book on ‘bullshit jobs’ (2018) and the phenomenon of the Great Resignation following Covid have revealed a deeper truth. A new politics of time beckons. I will leave that for another occasion (Standing 2023). Here we may merely assert that an emerging synthesis will probably involve more and more people wanting a variable mix of work that is not labour, commoning (shared, non-paid economic activities) and leisure in the ancient Greek sense of *scholē*, that is, public



participation, all grounded by ecological imperatives. There will be an escape from the 'jobholder society' so memorably depicted by Hannah Arendt (1958).

In that context, this chapter will conclude with a proposal for two structural reforms that would be necessary to enable a new time pattern to emerge in an ecologically sustainable manner.

#### **4. Eco-fiscal policy**

For the past century, social democrats have supported a model of society in which high and progressive taxes on income and consumption have been justified as the means of reducing inequality and poverty while paying for a growing array of state benefits and public services. For many decades, that prescription served them well, assuring regular electoral victories.

Since the 1990s, that has ceased to be the case. The political right may not have won the intellectual or moral argument, but their prescription of low income tax, low corporation tax on profits and low consumption taxes has had increasing popular appeal, draining support for the left from those gaining from tax cuts, even if they still support public services and benefits. The social democratic parties have been so traumatised that they have come to support tax cutting.

It is no use the left lamenting the passing of the era of high and progressive income tax. It must reinvent fiscal policy. To do so, it must recognise once and for all that the income distribution system of the social democratic decades of the twentieth century has broken down irretrievably. Whether there is high or low GDP growth, most of the extra income flows to the owners of property, financial, physical and intellectual, while less and less goes to those who rely on labour. That applies in countries in which unions are strong, as well as where they are crippled. This is an era of rentier capitalism.

Moreover, in the globalised economy dominated by finance, it is easy for high-income recipients to avoid income taxes. They just use tax havens, as has been happening to a growing extent, as the Panama Papers and other evidence shows (Alstadsaeter et al. 2018). Across Europe, offshore wealth is about 10 per cent of GDP nowadays; in the United Kingdom, about 20 per cent. The wealthy hardly pay income tax, whatever the rate. The fact that they pay a large share of the total merely reflects the fact that they obtain a much larger share of the income.

In response to cuts in income, consumption and corporation tax, however, the left has been defensive. In the United Kingdom, this was vividly demonstrated by Labour's reaction to the regressive 'mini-budget' the thankfully short-lived Liz Truss government introduced on 23 September 2022. The budget lowered the basic rate of income tax to just 19 per cent, starting after a tax-free allowance of £12,570. Immediately, Labour said it would not reverse the cut. Due to the shambles of that government, the enormity of this statement escaped public comment.

In instantly accepting the tax cut, the supposedly social democratic opposition accepted a tax rate so low that financing public services would become even more problematical. There was not even evidence that the public wanted such a low rate. On the contrary, a survey (NatCen 2022) found that 52 per cent of the electorate favoured tax increases. Nor was there any evidence that cutting income or corporation taxes increased economic growth; they merely increase inequality (Hope and Limberg 2020).

The questions one felt inclined to ask Labour were: How low a tax rate would you be prepared to tolerate before you squealed stop? And how would you pay for good public services and decent state benefits if you did not tax incomes to pay for them?

The more general question for the left across Europe is how to make taxation popular, progressive and functional. The answer should be based on overcoming the right's populist trick, claiming that taxing income is 'disincentivising' and a reflection of 'envy' by the losers in society snarling against supposedly dynamic entrepreneurs and energetic workers.

Facing this predicament, the left should opt for what may be called an eco-fiscal policy, one designed to dismantle rentier capitalism and to satisfy the vital need to confront the ecological crisis seriously. The left should be pragmatic. Although tax rates could and should be higher than at present, the left should accept that high progressive income tax is out of date, and make it clear that income and consumption taxes are mainly for public services and infrastructure, including transport, defence, housing, schools and other social needs. Beyond that, it should restructure fiscal policy so as to make it a means of common justice.

For that, we should start by reviving the idea of the commons, that is, resources and assets that belong to all of us, as commoners. The commons include land, air, water, minerals, the sea, seabed and seashore, as well as commons bequeathed to us by previous generations. Yet all forms of commons have been taken or eroded illegitimately, through enclosure, spoilage, privatisation and financialisation. The left should demand that commoners be compensated for that plunder.

Words and how the narrative is presented matter. This is vital in the sphere of fiscal policy. The term 'levy' should be used rather than 'tax' to indicate three distinctive features: first, that it is not a tax on labour, work or consumption; second, that it is a cost imposed on those taking from our commons, which belong to everybody equally; and third, that the revenue from it will be recycled as common dividends on common wealth.

So, what should be covered by this new eco-fiscal policy? Start with a progressive *land value levy* (LVL), which should start on landholdings of above the typical garden size, to avoid it being dubbed 'a garden tax', and thus made politically difficult. A progressive LVL is further justified by the fact that the value of land has jumped as a share of non-financial assets, partly because of globalisation and speculation by global finance. Across the OECD, land now accounts for over a third of all non-financial wealth, and in the United Kingdom it has risen from 39 per cent in 1995 to 56 per cent today (The Economist 2022).

Then introduce a *wealth levy*, probably instead of inheritance tax, excluding land if there is an LVL. In European countries, wealth is taxed much less than income, wealth inequality has risen relative to income inequality, and most wealth is inherited and thus unearned, by definition. Even a 1 per cent wealth tax would raise huge revenues, and be harder to avoid than income tax.

Next, following Sweden's lead, there should be a high *carbon levy*, a tax on carbon emissions, which are causing climate change and acidifying the oceans. According to the IMF, only a fifth of global emissions are covered by proper pricing. A carbon levy would transform the atmosphere into a regulated commons. And we know that the rich cause most of the pollution, while low-income groups mainly bear the costs, including ill-health.

By itself, a *carbon levy* is potentially regressive, in that paying for emissions would represent a higher share of a low-income person's income. It would become progressive only if all the revenue were recycled to all commoners equally. The way to ensure that is to channel the revenue into what could be called a *commons capital fund*, from which all usual residents would be entitled to equal common dividends. Here is not the place to go into details. The point is that progressives should shift to eco-fiscal policy and build mechanisms to ensure that outcomes are progressive.

Complementing the *carbon levy* should be other eco-levies based on the twin principles of needing to disincentivise ecologically destructive practices and charging those who take from the ecological commons, which is disproportionately the rich, in order to compensate those who lose, who are mainly low-income groups and communities. Among such levies should be a *frequent flyer levy* and a *bunker-fuel levy*. With regard to the latter, luxury cruise ships and other giant vessels use the dirtiest diesel fuel and leave their engines running at all times when in port, producing such polluted air around major ports that the incidence of throat cancer and other major medical illnesses is much higher than in most other places.

Next, eco-fiscal policy should target rental income gained by exploiting the commons. Here we should salute Norway, which has just announced a ground rent on industrial aquaculture (salmon farming) as well as on hydropower (Dronen 2022). Generically, this could be called the *aquaculture levy*. Given that major aquaculture firms only pay about 50 per cent of production costs, the rest being borne by local communities and surrounding ecosystems, Norway's proposed 40 per cent levy could be copied in other European countries where fish farming is booming. As proposed in my book *The Blue Commons* (Standing 2022), the principle could be extended to sea fishing, seabed mining and offshore windfarms.

Among other levies should be a *digital data levy*. The Big Tech corporations make billions of dollars from our work, as we continuously provide them with information all the time we use electronic devices, which they sell to advertisers. They are taking rental income from the information commons. That should be shared, justifying a levy on their advertising revenue, put into the common fund, as it would only be fair if everybody received an equal share of the revenue.

Beyond eco-levies, the left should play on the right's ideological contradictions. They justify shareholder capitalism by claiming that shareholders (principals) pressurise managements (agents) to pursue long-term growth. That assertion had some residual veracity decades ago when the average time a share was held was seven years, but today it is under six months and falling. So, a *financial transactions levy*, a form of Tobin tax, would incentivise what the right claim to want, and it would be progressive. In other words, it would encourage shareholders to take a longer-term perspective on investments and reduce the tendency of rapid resource depletion and asset stripping.

Similarly, besides being progressively redistributive, a *market concentration levy* would be a form of anti-trust measure. The right say they are opposed to monopolisation as contrary to a 'free market'. But, assiduously pursued by finance, conglomeration in almost all spheres of capitalism has resulted in a sixfold increase in the average mark-up of prices over production costs (De Loecker and Eeckhout 2021). So, to combat conglomeration, a levy should be imposed on profits of corporations that take more than 20 per cent of their market. This would be better than a 'windfall tax', because it would address a structural fault rather than a temporary phenomenon.

There is also the other side of fiscal policy, which receives remarkably little attention in progressive economic thinking, namely government subsidies. These are really a 'negative tax', and are mostly regressive. A progressive fiscal policy would take an axe to thousands of selective subsidies that governments give to special interests. There are 1,190 in the United Kingdom. If the right claim to believe in free markets, giving distortionary subsidies is hypocritical.

One sphere in which subsidies are huge, damaging and regressive is fishing, mainly for fuel to enable industrial fisheries to carry out long-distance fishing. The World Trade Organisation trumpeted an agreement reached in mid-2022, but all it did was ban some subsidies for *illegal* fishing, which is an oxymoron. The WTO even removed reference to 'harmful subsidies' from the agreement's final text. Globally, \$35 billion is spent on such subsidies. They are causing fish populations to collapse. Fishing subsidies should be ended without delay.

Subsidies are always distortionary and usually regressive. Governments' resort to subsidies during the Covid-19 pandemic was an opportunity for the left to be intellectually consistent, by applying a 'progressive stress test', namely that a fiscal policy should be supported only if it does not increase inequality. The job furlough schemes rolled out across Europe failed that test miserably. But social democratic parties vociferously supported them. It was predictable from the outset that they would intensify inequality – giving far more to the salariat than to the precariat – and be subject to massive fraud. Both proved correct. They also propped up numerous 'zombie firms'. Yet the left demanded that they continue.

In sum, for the Global Transformation, progressives should champion an eco-fiscal policy that would leave conventional income and consumption taxes for normal government spending needs, aided by the abolition of all existing regressive subsidies,

while building a set of levies that would be ecologically beneficial while acquiring at least some of the gains made by those interests who have taken or abused the commons. The question remains: Who should receive the revenue?

## 5. Time for a basic income

We are left with the biggest challenge for the precariat and for many people outside it. It is the need to overcome chronic social and economic insecurity and to reduce the inequalities that accompany rentier capitalism. At this point, progressives everywhere, especially in the unions, should reconsider their position on the desirability of moving to an income distribution system built to provide everybody with a modest basic income as an economic right.

The fundamental justification for moving in that direction is moral. But at this moment of transformational crisis, it is also becoming an economic imperative. Let us consider these points in turn.

### 5.1 What is basic income?

First of all, what is a basic income? One of the problems in the extended debates on the idea has been that many commentators do not know what it means, or talk at cross purposes by having in mind a different idea from what mainstream advocates have been saying.

A basic income system would provide every legal resident of a country with an equal monthly amount, without conditions, as an economic right. It would be paid *individually*, with equal amounts for every man and every woman, with a smaller amount for each child, paid to the mother or surrogate mother. There would be automatic supplements for the disabled and frail elderly with extra living costs and probable lower earnings. The basic income would be paid on an individual basis, not on a household basis, and would be non-withdrawable. Basic income is ‘universalistic’ because it would be paid as an economic right. That it would be paid individually would not make it ‘individualistic’. On the contrary, it would encourage a sense of community and social solidarity.

It is better to avoid the widely used term ‘universal basic income’ because, for the foreseeable future, basic income would have to be set at national level and, for pragmatic political reasons, recent or undocumented migrants would not be covered, in order to make it electorally feasible and to avoid charges that it would induce more in-migration, in what has been called ‘welfare tourism’. Of course, migrants (documented or not) and refugees should receive financial assistance, but such assistance should be provided by other schemes.

Crucial to a basic income is that it should not be means-tested, that is, determined by some measure of a household’s poverty status. Means-testing is notoriously prone to large exclusion errors, is costly to administer, uses up a lot of time and effort by

claimants, and involves dysfunctional ‘poverty traps’, because anybody who tries to earn more from additional economic activity will lose entitlement to benefits.

There is nothing in the concept of a basic income to suggest there could not be a multi-tier social protection system, with contributory, insurance-based schemes and even means-tested and private schemes playing roles. But the anchor of the system should be the basic income.

There is also nothing in the basic income concept to indicate any optimum level. Some advocates propose a high level equal to average income, others just enough to enable survival *in extremis*. The important point is to start on the road to a basic income system, paying out a rising amount as funds become available and as behavioural effects are monitored. Crucially, whatever the initial amount, it should be enough to make a substantial material difference to the living standard of low-income individuals, families and communities. As funding sources were built up, the level could be adjusted upwards.

## 5.2 The moral rationale

The fundamental justification for a basic income is ethical, not instrumental. Basic income is a centuries-old idea that has its roots in notions of common justice. As Thomas Paine, an early advocate, put it in his 1795 pamphlet *Agrarian Justice*, ‘It is not charity, but a right, not bounty but justice that I am pleading for.’

The wealth and income of all of us are due far more to the efforts and achievements of the many generations before us than from what we do ourselves. But we do not know whose ancestors contributed more to our wealth. If society allows for private inheritance of private wealth – which is a lot of ‘something-for-nothing’ or ‘handouts’ for a lucky minority – then we should allow for social inheritance in the form of a social dividend or basic income.

A basic income would also be partial compensation for loss of the commons, which belong to all of us equally, but which have been appropriated by privileged elites and corporations to generate private wealth. In this context, the commons are not just land, waterways, forests, parks and natural resources, but also the social amenities and public services we inherit as a society, and the body of ideas and knowledge.

If one is religious, basic income could also be seen as a matter of religious justice, in that God has given people unequal talents, so that it would be a way of compensating those with lesser talents. This seems to be why Pope Francis has come round to supporting it. It is also a matter of ecological justice, in that the rich pollute more, while the poor are more afflicted with the consequences. It would promote ecological justice more than prioritising resource-depleting jobs.

It is also a matter of ‘compassion justice’. By giving everybody an equal economic right, it would roll back the charity state or reliance on pity, which as David Hume showed is

akin to contempt. A basic income would promote 'public dignity'. Finally, it would be a matter of 'work justice' in rewarding work that is not labour, notably unpaid care done mostly by women, as well as voluntary community work, including the increasingly vital ecological work.

Basic income would help to promote gender and racial equity because it would be an equal payment to every individual, regardless of household, income or employment status. It would thus help to equalise power relations within households, relieving financial dependence on a household 'head', and avoid the stigma and burden of means-testing and behaviour-testing intrinsic to current welfare systems, which fall most heavily on the most disadvantaged.

The second ethical justification for a basic income is that, unlike other social policies, it would enhance all three forms of freedom. The first is 'libertarian freedom', the desire to be free from constraints and free to choose. Modern policymakers impose paternalistic controls on 'the poor', telling them what they must or must not do, on pain of worse impoverishment. Basic income comes as a right with no conditions attached, with people free to spend their money as they wish, prioritising what is most important to them.

A basic income would strengthen the ability to say 'No!' to abusive or exploitative relationships and strengthen the ability to say 'Yes!' to forms of paid and unpaid work that might otherwise be out of reach. At the same time, people would also be able to accept low-wage jobs, if they wished, without losing benefits or could reduce hours in jobs to spend more time caring for their loved ones, neighbours and community. Nobody should need reminding in these pandemic times that there is a care deficit.

A second form is 'liberal freedom', the freedom to be moral described by the great nineteenth century idealist philosopher T.H. Green as the ability to decide and do what you think is right. You cannot be moral if you have to do as you are told or 'steered' to do. A basic income allows people to decide for themselves how to act.

The third form is 'republican freedom', freedom from actual and potential domination by people in positions of unaccountable authority. A woman, for instance, may lack such freedom if she can only do things on approval by a husband or father, even if they usually 'allow' her to do what she wishes. Basic income experiments in the USA and elsewhere have found that in some cases women who had their own basic income were able to leave abusive relationships and escape domestic violence, which has risen in many countries during the pandemic lockdowns.

Mahatma Gandhi put the republican point well in saying that freedom means being able to look others in the face and not having to give in to their will. John Locke also understood 'natural freedom' as meaning we can act without having to ask for assent and without fearing retribution, unless doing harm to others. A basic income would also pass what I have called *the Paternalism Test Principle*, which should be applied to every social policy. This asserts that a policy is socially just only if it imposes no controls on some groups that are not applied to the most free groups in society.



A third ethical rationale for basic income is that, even if modest, it would enhance basic security. Besides being a human need, basic security is a public good, in the sense that if one person has it others are not deprived of it. Indeed, it is a superior public good, because if everyone has basic security its value to each and every one of us will rise.

More and more people are living precarious, insecure lives in a globalised world characterised by chronic uncertainty – ‘unknown unknowns’ – in which one cannot predict the probability of a shock, or the difficulty of coping and recovering from it. A modest basic income could not protect us from all uncertainty, but it would provide a guaranteed income floor and thereby increase resilience.

Being insecure reduces ‘mental bandwidth’, lowering short-term IQ and reducing the capacity to think rationally and long-term (Mullainathan and Shafir 2013). Insecurity and the stress that goes with it also damages mental and physical health, leading to social illnesses and ‘deaths of despair’ (Case and Deaton 2020). This is a well-documented tragic situation among Indian farmers, but has also hit the precariat in all parts of the world.

By contrast, basic security through a basic income has been shown to improve intra-family relations, reduce domestic abuse and violence, improve child development, and reduce the inter-generational transfer of poverty. At a societal level, basic security strengthens feelings of altruism and tolerance towards ‘strangers’, with the potential to make people more resistant to the siren calls of neo-fascist populism.

The trouble with most other social policies ostensibly designed to reduce poverty and socio-economic vulnerabilities, including subsidies for food and other basics as well as public works and job guarantees, is that implicitly they declare that the state (and those advocating them) knows what you need, and that it will give it to you. A basic income advocate is saying, ‘We do not know what you need, but we will try to provide the means for you to obtain it’.

There is one final feature that has not received the attention it deserves. A basic income would provide feelings of *future security*, surely a valuable psychological sentiment worthy of attributing an economic value, because the basic income is an individual right guaranteed for the future. Of course, that would have to be defended, but a constitutional right would be the most robust way of pursuing it.

Besides the three moral imperatives – common justice, freedom and basic security – there is now a strong economic imperative. In a globalising economy and a deteriorating ecology characterised by chronic uncertainty, there is a need for an automatic economic stabiliser and a need to shift from ex post compensation for contingency risks to a social protection system that offers ex ante security, that is, the assurance that whatever shock hits, everybody will have a sense of resilience. Without resilience, no society can thrive.



## 6. Concluding remarks

The careful reader will have noticed a missing link in this chapter's thesis, namely, how could we afford a basic income? The main part of the answer is that the eco-levies should be channelled into a new commons capital fund, the revenue used in part to invest in ecologically sustainable production. As argued elsewhere, depending on the source of the revenue, a large part of the revenue could be used to pay out equal common dividends, or in effect a gradually rising basic income.

In sum, the proposal is an eco-fiscal policy, combined with a commons capital fund and common dividends as basic incomes. This would be a necessary strategy to achieve a progressive transformation that would meet three imperatives of a twenty-first Good Society: ecological revival, basic security in an environment of chronic uncertainty, and a progressive reduction in inequalities that would allow for new patterns of work and commoning to take shape. It surely can be done.

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## Chapter 8

# Has the time for a European job guarantee policy arrived?

Rania Antonopoulos

### Introduction: business as usual will not do

In the past decade, European Union Member States, and most countries around the world have faced two severe economic shocks. First, the 2008–2009 global financial debacle, originating in the United States and reaching the EU and the rest of the world by late 2009, resulted in, among other things, a rapid increase in unemployment. It affected as many as 26.6 million people in the then EU28, by the first quarter of 2014, compared with 16.8 million in the first quarter of 2008. Second, during 2020–2022, while the EU had begun a recovery phase, Covid-19 and the Ukraine-Russian conflict delivered another blow: energy-related pressures together with supply-chain disruption culminated in an accelerated inflation, leading to a cost-of-living crisis.

Policy responses to these crises have been mixed. Severe austerity measures, for example, imposed on several EU Member States in 2009 while the global financial crisis was still unfolding worsened economic conditions. Instead of helping, austerity proved once again to be the wrong medicine. It pushed Portugal, Greece, Ireland and Spain into unprecedented economic contraction and massive unemployment for a number of years. At the extreme opposite, during the Covid-19 shock, timely EU decision-making to support Member States through the SURE mechanism averted layoffs. The rapid response of an infusion of billions of euros allowed EU Member States to engage in robust job retention schemes and wage subsidies during the lockdowns necessitated by the pandemic. Such instances provide lessons of both policy ineffectiveness and success. As such, the recent crises represent an opportunity for EU policymaking: to continue building on our successes, and to build a resilient and sustainable European Union, old truths should be revisited and new thinking allowed to emerge.

As country after country is called on to respond to the current challenge of our time, high inflation and declining real wages, households will need more than emergency energy vouchers and income support cash-transfers. The share of wages to GDP has been declining since the late 70's; deregulation of labor markets has increased insecurity and precariousness. Among ordinary working people a sense of uncertainty, disenfranchisement and mistrust in governing institutions is prevalent. What is needed is a thorough re-evaluation of policies.

A guarantee of adequate minimum wages securing a decent living standard ought to be a starting point; a permanent policy of automatic adjustment of wages to inflation rates in all Member States should be considered; and collective agreements ought to be re-invigorated to promote a fair share of productivity gains between wages and profits.

Redistributive measures have a place in our economy, of course. But a just functional distribution of income, an equitable sharing of the pie between wages and profits, must regain its central role in our societies.

To work, it requires cooperation among Member States, so that changes are agreed upon and implemented in a properly sequenced and coordinated way. Wage-led prosperity is feasible for the EU. Studies have shown that it stimulates internal consumption and therefore leads to strong job creation outcomes, and creates a positive synergy across countries, given the interconnectedness of commerce among EU countries. Healthy increases in earned income provide a win-win-win: for wage earners (higher wages), businesses (increased levels of production) and public spending (increased tax revenue). This is a bold agenda. It is also one that can work and can mobilise people to regain their trust that a Social Europe is possible.

Re-examining the policy orientation with regard to unemployment is also needed. It is to this that we turn next.

## **1. What is a job guarantee?**

A job guarantee is a policy intervention by the state to interrupt long spells of joblessness. Simply put, it offers a direct job and a wage to those seeking but unable to find remunerative work. The job guarantee scheme – also known as an employment guarantee policy, a public works programme, direct job creation and an employer of last resort programme – is not a new idea. Proposals and theoretical antecedents can be traced to the Civil Rights movement in the United States; to J.M. Keynes and William Beveridge in the early part of the twentieth century; to Hyman Minsky, Amartya Sen and Jean Drèze in the 1980s; and to Bill Mitchell, Randy Wray, Mathew Forstater and Dimitri Papadimitriou in the 1990s. It has regained currency among a younger generation of scholars in more recent times.

At the policy level, developed and developing countries facing massive unemployment or a stubborn prevalence of joblessness among specific groups have indeed periodically intervened through job guarantee-type initiatives. A host of countries ranging from the United States in the recent global financial crisis and, famously, in the New Deal programmes of the Great Depression, to rural India every year during the low agricultural season since 2005, have implemented direct job creation programmes. Currently political and grassroots mobilisation around a job guarantee employment policy is gaining traction on both sides of the Atlantic and small-scale implementation is already under way in France, Austria and Greece.

Job guarantee work projects, historically, have been selected with a view to generating a public benefit for communities, meeting as far as possible hitherto unmet needs. Their design and implementation have varied in terms of scale: they may target specific communities or have country-wide reach. Job offers may also vary in duration, being short- or long-term, seasonal or year-round, part-time or full-time. Furthermore, pay scales can also differ, ranging from a flat minimum wage to a multi-tier wage structure

according to skill level. A range of implementing and administering agencies may also be involved: municipal and local government, non-profits or/and social economy entities. On top of all that, such schemes may be with or without provision of optional training and upskilling. When it comes to the choice of work projects, it may be centrally determined or locally identified, and with a mandate to achieve developmental objectives or an open-ended agenda.

As already mentioned, several EU Member States have already developed or are currently designing and implementing direct public job creation programmes. To name only a few, France, Austria, Belgium, Luxembourg and Ireland.<sup>1</sup> As we will see in the case of Greece, jobs under job guarantee programmes accelerate job creation in other parts of the economy, contributing to overall job creation, economic growth and expansion of tax revenue.

## **2. Why a job guarantee? Unemployment is a permanent feature of market economies**

Job creation depends on many factors, including fiscal and monetary policy, the overall structure of the economy, industrial and development policy, technological advances, exogenous factors and shocks, including the state of the economy of trading partners. Ultimately, jobs are created and destroyed by the private sector, by hiring and firing decisions guided by market conditions, production needs and earnings projections and profits. As there is no internal necessity for job openings to match the numbers of jobseekers, unemployment and underemployment are a permanent feature of market economies. And while joblessness fluctuates significantly over the business cycle, its presence is felt not only during periods of severe shocks or recessions but also when the economy is on a healthy growth path.

Traditionally, policies to support the unemployed in Europe are delivered through three interventions. First, through unemployment benefits so as to avert the risk of a sudden, if not catastrophic, decline in income during the job search period. Second, through active labour market policies (ALMPs) to facilitate re-entry: this includes job search assistance to match the unemployed to employers; training and upskilling to strengthen job seekers' qualifications; and wage subsidies to employers to hire those harder to place. Third, to avert massive lay-offs, job retention schemes and/or wage subsidies are offered for short-time working, that is, the partial compensation of direct and indirect labour costs offered to private companies to maximise job retention. This last measure was widely and effectively used by EU Member States during the Covid-19 lockdowns, but also during the 2008–2010 financial crisis.

These traditional interventions are designed to fend off risks the labour force may face from time to time. But for them to be effective either jobs must be plentiful and

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1. For France: see <https://www.tzclld.fr/decouvrir-le-projet/les-territoires/>  
For Ireland: <https://www.gov.ie/en/service/412714-community-employment-programme/>  
For Luxembourg: [https://adem.public.lu/en/employeurs/demander-aides-financieres/embaucher\\_cld.html](https://adem.public.lu/en/employeurs/demander-aides-financieres/embaucher_cld.html)  
For Austria: see [https://maxkasy.github.io/home/files/papers/Jobguarantee\\_marienthal.pdf](https://maxkasy.github.io/home/files/papers/Jobguarantee_marienthal.pdf)

therefore they can be matched to newly reskilled persons, or slack demand for labour is temporary and normalcy will soon be restored. If these conditions do not hold, traditional interventions do not work well and short-term joblessness turns into long-term unemployment. This is the case for 4 million long-term unemployed in the EU today, but at the peak of the financial crisis the figure was roughly 14 million.

Why do people end up searching for a job, sometimes for years, and are not able to find one despite every effort and policy intervention? We must distinguish between two fundamental reasons.

On one hand, some people's employment profiles place them furthest away from the labour market – this challenge may be extremely difficult or impossible to overcome. Examples include: being laid off at an older age or near retirement, which becomes even worse when combined with skills no longer in demand; seeking full-time work in midlife with no prior work experience; facing complex health issues or disabilities; being a member of a marginalised group facing prejudice; or having recently served time in prison. Despite incentives, the private sector is reluctant to hire people it deems less desirable. This is the supply-side challenge of long-term unemployment.

On the other hand, on the demand side, the private sector may simply be unable to generate jobs for all those seeking one. Unless fiscal and monetary policy target full employment, industrial policy coordination is at full speed, and trading partners' economies are booming, there is no reason to expect that the prevailing level of economic activity will be sufficient to ensure the full employment of labour. The process becomes even tougher with protracted periods of recession; recoveries that are U or W shaped; jobless recovery phases; periods of structural change which require a prolonged adjustment period; and severe financial crises with global repercussions. In all such cases, the existing toolbox is insufficient to deal with long-term unemployment, with severe repercussions for the people affected.

Thus, we must turn to a policy such as the job guarantee, which may be characterised as 'employment of last resort'. When the private sector cannot provide jobs, and ALMPs or job retention schemes do not deliver optimal outcomes, we have a collective responsibility to see that those who want to work have an option to do so instead of being forced to remain in a state of social exclusion and inactivity.

### **3. Long-term unemployment and EU policy**

In the past decade, Eurostat data (LFS online data code LFSQ\_UGATES) reveals, the number of unemployed persons in the EU27 has ranged roughly between a high of 24.4 million (2014Q1) and a low of 13.8 million (2019Q2). More recently it has fluctuated between 14.4 million (2020Q4) and a record low of 12.953 million for both men and women as of October 2022 (Eurostat, online data code UNE\_RT\_M).

The EU annual average for the proportion of long-term unemployment – in other words, how many people have been looking for work for over 12 months – has hovered

at around 40–55 per cent of total unemployment. A quick look through the data shows that many countries are around or above a 40 per cent benchmark, such as Italy (51.5 per cent in 2020), Belgium (45.3 per cent in 2019), Germany (40.9 per cent in 2018), Portugal (49.9 per cent in 2017), Ireland (50.5 per cent in 2016); the Netherlands (42.5 per cent in 2015); Greece (73.0 per cent in 2014); and Slovakia (70.2 per cent in 2013).

The picture is consistently grimmer among those between the ages of 50 to 64 years: long-term unemployment hits them much harder. In 2012, for example, for those in this age range the long-term unemployment share was 57.7 per cent compared with 45.3 per cent for the entire population; 61.9 per cent in 2014 compared with 50 per cent; and 50 per cent in 2020 compared with 35.2 per cent of the total. A more detailed examination of the same data reveals even larger segments in long-term unemployment in countries that experienced extraordinary economic recessions, sometimes reaching 75 per cent (Spain, Greece, Ireland, Portugal), in addition to those that navigated milder waves (Germany, France, Italy, Belgium and Luxemburg, to name a few). In the EU countries, over the past decade – with the Nordic countries and Iceland as notable exceptions – roughly six out of 10 unemployed persons among older people seeking employment could not find a job within a reasonable amount of time. For the entire unemployed population, on average, four to five out of 10 people remained jobless for more than a year (Eurostat, LFS annual data). Employers customarily are much more reluctant to hire people who have not held a job for a long time: those who are laid off in their late 50s or later find it hardest to re-enter the labour market.

The European Union has indeed recognised the prevalence of long-term unemployment as a challenge. Accordingly, Council Recommendation of 15 February 2016, *On the integration of the long-term unemployed into the labour market* (2016/C 67/01), put forward a variety of actions to be taken and coordinated services that ought to be made available. The first three paragraphs of the document read as follows:

- (i) The unemployment rate in the Union increased to a historically high level following the 2008–2009 financial and economic crisis. It is currently decreasing, but long-term unemployment remains very high. Of course it differs in different Member States, particularly because the impact of the current crisis has been uneven and the macroeconomic situation, economic structure and labour market functioning vary.
- (ii) After years of subdued growth and low job creation, in 2014 long-term unemployment, defined by Eurostat as the number of people who are out of work and have been actively seeking employment for at least a year, affected more than 12 million workers, 62 per cent of whom had been jobless for at least two consecutive years.
- (iii) Long-term unemployment, apart from affecting the persons concerned, lowers the potential growth of EU economies, increasing the risk of social exclusion, poverty and inequality, and adding to the costs of social services and public finances. Long-term unemployment leads to loss of income, erosion of skills, higher incidence of health problems and increased household poverty.

Long-term unemployment is then clearly acknowledged as a consequence of the decline in economic activity itself, but it is also recognised that it remains a concern for several years after economic recovery. Beyond the traditional menu of ALMPs there is occasion for even more ambitious thinking and serious consideration of a European job guarantee. Are there sufficient job vacancies to absorb most of the 4.5 million persons in long-term unemployment as of October 2022? Do short-term training courses provide an equal footing for the older jobless with the general population of jobseekers? Can wage support measures absorb long-term unemployment? The answer is, only partially and not satisfactorily, and the statistical record provides evidence to that effect. Why, then, not offer the millions of long-term unemployed meaningful jobs at their current level of skills in projects that can benefit their communities? A job guarantee structured around the concept of ‘back to work now’, coupled with upskilling, lifelong-learning seminars can go a long way. Environmental interventions, plentiful care economy gaps and the digital transition offer ample prospects for meaningful job guarantee opportunities.

Principle 4 of the European Pillar of Social Rights (2017) echoes the Council’s Recommendation. It reinstates citizens’ right to active support for employment in the form of *job search support, training and requalification* (emphasis added). The trouble is that in many instances, although these measures absorb substantial sums from the European Social Fund (ESF), the EU’s main financial instrument for tackling long-term unemployment,<sup>2</sup> the long-term unemployed still remain jobless. An integrated, comprehensive strategy for the active inclusion of the long-term unemployed, ought to consider a JG ‘back to work now intervention’.

## 4. The case of Greece

Greece’s economy began to experience particularly turbulent conditions in 2008, and by 2010 it had been shut out of financial markets. To avoid bankruptcy the government sought help in servicing its sovereign debt through a loan agreement provided jointly by the European Commission, the European Central Bank (ECB), and the International Monetary Fund (the so-called ‘Troika’). To bring the deficit and debt-to-GDP ratios under control, so that Greece could regain access to financial markets, the prescription included harsh austerity measures, tax increases and ‘internal devaluation’.

This entire period proved to be disastrous for the Greek economy, which contracted by over 25 per cent of GDP and, among other things, registered massive unemployment, with unemployment rising from 7.7 per cent in 2008 to over 27.8 per cent as of October 2013. Roughly a million more people joined the ranks of the unemployed, with manufacturing, construction and retail suffering the heaviest losses. By this time, an astounding 71 per cent were in long-term unemployment and over the course of 2013, the number of those unemployed for longer than *four years* had reached 224,000.

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2. Barnes S.-A. and Wright S. (2019) The feasibility of developing a methodology for measuring the distance travelled and soft outcomes for long-term unemployed people participating in Active Labour Market Programmes: final report, Publications Office of the European Union. <https://data.europa.eu/doi/10.2767/14458>



## 4.1 Why Greece needed a job guarantee

Projections by lenders and the government in 2013 reported that Greece would enter positive growth territory in 2014, but from the standpoint of job creation, putting an end to austerity did not suffice to turn the unemployment tide. Even if Greece had somehow managed to return to the rates of economic growth it enjoyed prior to the crisis (averaging around 4 per cent per year)—which was by no means likely in the near future—it would take more than *14 years* to reach pre-crisis employment levels, given the tendency of labour market recovery to lag behind GDP growth recovery (Dedousopoulos et al., 2013).<sup>3</sup> If this was the ‘best-case scenario’ for a post-austerity Greece, further policy actions were urgently needed.

ALMPs aimed at improving employability were designed primarily for less turbulent times. Applicable as they may be in some cases, with thousands of businesses in bankruptcy, firms were simply not hiring. A large-scale intervention, beyond the scope of the current ALMPs, was urgently needed.

## 4.2 Greece’s job guarantee: background and rationale

The policy proposal for a job guarantee for Greece, whose findings on job creation and growth potential we present below, was undertaken by colleagues and myself at the Levy Economics Institute in 2013, in close coordination and partnership with the General Confederation of Trade Unions of Greece (GSEE). The collaboration with GSEE on a job guarantee had begun several years earlier and, as a result, in 2012 a small programme was rolled out in Greece. Subsequently, we were invited by GSEE to provide comments on this 2012 direct job initiative and we jointly decided that a more carefully designed, larger scale programme was necessary. To that end, we engaged in further research during 2013. The job guarantee project’s research findings were presented at a conference in March 2014, organised by GSEE and attended by trade unionists, academics, members of parliament and representatives of political parties. During the pre-election campaign later that year, a job guarantee for 300,000 long-term unemployed was announced as a part of the recovery policy mix by Syriza, the main opposition party at the time, which was then elected into power in January 2015. The 2015 job guarantee, known as the ‘public service work’ or ‘*kinofelis ergasia*’, was indeed rolled out in successive waves over a three-year period and reached roughly 200,000 persons. Despite its still small size in comparison with the problem at hand – manifest in the excess of applicants over the available jobs advertised under the programme – the logic, structure and necessity of a ‘Public Benefit Job’ programme gained support from two successive governing parties and continues to this day.

Given the unprecedented nature of the Great Recession crisis (2008–2009) and its dramatic consequences, job guarantee-type stimulus programmes were implemented

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3. Based on employment levels over 1998Q1–2007Q4, Dedousopoulos et al., in a report issued by the ILO in 2013, estimated a job creation rate of 60,000 per annum. Projecting into the future, they found that if the Greek economy, beginning in 2012Q4, returned to its precrisis (1998Q1–2007Q4) rate of adding 60,000 jobs annually, it would regain its 2009Q1 (precrisis) employment level in 2027Q2—that is, in roughly 14.5 years.

successfully in various countries, including the United States, China and Chile. Greece itself had some recent experience with direct job creation, as already mentioned, with a programme implemented in 2012. Despite being inspired by the employer-of-last-resort policy idea, that scheme encountered several difficulties. In addition to its small size and limited duration (employment was provided for a maximum of five months), the programme did not offer full compliance with labour rights and was not properly designed. Implementation of the programme, mainly by NGOs, proved equally problematic.

### 4.3 Job guarantee scenarios for Greece

The proposed Levy Institute job guarantee programme provided paid employment for a full 12 months a year on work projects selected, through a community-level consultative process, from among the following areas: digitisation of public sector documents, small infrastructure projects that improved public spaces (playgrounds, small parks and so on), accessibility projects, environmental interventions for forest management and fire prevention, expansion of social service provisioning, and educational and cultural enrichment programmes for the public. The positions paid minimum wage and carried full social security contributions and legal labour rights, including normal time off, maternity leave and so on. Eligibility was extended to all unemployed persons, with strong preference given to the long-term unemployed, those with low household incomes, those with disabilities, single headed households, and members of households in which all working-age members were unemployed. For budgeting purposes, and drawing on other countries' experience, programme costs were assumed to consist of a 60 per cent allocation to wages and 40 per cent indirect costs (materials, other intermediate inputs and administration).

We sought answers to three questions:

First, what would be an appropriate scale for the job guarantee programme? In other words, how many from among the unemployed were likely to apply? The scenarios were based on minimum and maximum expected responses from among the unemployed through statistical matching and from data provided by the Labour Force Survey of the Greek Statistical Agency (ELSTAT LFS); the EU Survey of Income and Living Conditions (SILC); and information on applicants from the previous limited attempt at a job guarantee in 2012. According to various assumptions, we estimated that a modest proposal should aim at 200,000–300,000 participants and a more ambitious one at 440,000–550,000.

Second, to gauge the medium-term impact of the job guarantee on total job creation (direct and indirect) and growth of output, we simulated the effects of several scenarios, corresponding to an increasing scale of direct job creation (for 200,000, 300,000, 440,000, and 550,000 jobs) and two levels of minimum wage (pre and post 2012 internal devaluation, that is at a minimum wage of 751 euros (€) per month and €586, respectively). To estimate these macroeconomic effects – namely the job guarantee's 'multiplier effects' – we used an input–output (I-O) analysis, drawn from the 2010

input–output tables for Greece. We examined and added to the direct job-guarantee job creation the indirect jobs created – the business-to-business effects, if you will. This refers to the linkages and subsequent feedbacks in output growth and employment between industries: for job guarantee workers to produce output, supplies must be used. Other industries, therefore, will benefit from newly created demand for these intermediate inputs. This chain reaction, each supplier demanding inputs produced by other sectors, results in ‘induced’ expanded output and job creation effects. (For the full research report and technical details, see Antonopoulos et al. 2014).

Third, to estimate the net cost of the intervention we needed to know not only the initial amount of government spending, but also the increase in new tax revenue. The additional tax collection would be generated through the multiplier effects through direct income taxation of households and businesses, excise taxes, and social security contributions.

## **5. Results of the job guarantee simulations: employment creation, output and tax revenue**

With more than 750,000 persons in long-term unemployment the questions we attempted to answer were anything but trivial. Our estimates were based on simulations of what would have happened had the job guarantee been implemented in 2012. And although we could not rewrite history, the results were instructive for the immediate future.

We found significant positive multiplier effects associated with the job guarantee programme. For every €100 spent on the job guarantee, roughly €230 would be added to the Greek economy. At €751, the pre-devaluation legal minimum wage, for every 250 directly created jobs under the scheme an additional 100 jobs (mainly skilled) were created by the private sector elsewhere in the economy. At the prevailing monthly minimum wage (€586), it would take 320 job-guarantee jobs for 100 full-time jobs to be created elsewhere in the economy.

At the low end of the simulated scale for the job guarantee (200,000 directly created jobs at a monthly wage of €586) this would mean a total increase in employment of 262,268 jobs and an increase in GDP of €5.4 billion (2.8 per cent). At the top end of the scale (550,000 job-guarantee jobs at €751), the total employment effect would mean the addition of 769,421 new jobs (direct and indirect) and GDP would increase by €18.9 billion (9.8 per cent). Given the size of the unemployed population, these effects were substantial: a mid-range intervention for 300,000 individuals would create about 400,000 jobs within a year, reducing unemployment by one-third.

## **6. How big an investment is needed? Total and net costs**

Our simulations determined that 59 per cent of expenditure would be recouped through higher tax revenues (social security contributions, value-added taxes, and

direct income taxes). At the midrange, the 300,000 direct job creation programme would have a total cost of €4.5 billion, which amounted to 2.3 to 3 per cent of GDP. However, because of taxation and given the abovementioned multiplier effects, the cost of implementing the programme would be only a fraction of the total cost, due to the increases in tax revenue and social contributions, at a final net cost of 0.95 per cent of 2012 GDP, or €1.8 billion.

The total (or all-inclusive) cost of the programme (including wages and indirect costs for inputs and administration) would range from €3.0 billion to €10.5 billion, or between 1.5 per cent and 5.4 per cent of 2012 nominal GDP (€193.7 billion). As a percentage of nominal 2012 GDP, the *net* cost of the job guarantee (total cost minus tax revenue) would range from roughly 0.6 per cent of GDP (€1.2 billion) to 2.2 per cent of GDP (€4.3 billion), for the creation of 262,268 and 769,421 jobs, respectively.

## **7. How would a job guarantee be funded?**

The question of funding such initiatives needs to be addressed. We have argued elsewhere for the creation of a National Employment Fund financed from a variety of sources, including EU funds (Antonopoulos, 2013). The EU Commissioner for Employment, Social Affairs and Inclusion in 2013, László Andor (2013), had clearly stated the desirability of a ‘European Fund against Unemployment’ that would devote a percentage of EU funds to Member States in accordance with their respective unemployment rates. Along the same lines, long-term ‘special purpose’ bonds could be issued and distributed centrally. Finally, in addition to dedicated Social Funds, borrowing from the European Investment Bank should be an option. This would create an off-balance-sheet item whose aim would be to support projects that make a significant contribution to growth, employment, economic and social cohesion, and environmental sustainability.

## **8. Concluding remarks**

Protracted unemployment is associated, besides loss of income, with loss of skills and discouraged-worker effects, self-blame and depression, physical and mental health deterioration, marginalisation and heightened incidence of violence. In these circumstances, a job guarantee helps to redress the perilous condition of the unemployed, especially for those who are in long-term unemployment. If implemented at appropriate scale to match the challenge of unemployment, it will also function as ‘rapid response’ government spending in the face of economic downturns, as the empirical study we presented on Greece shows. Expanding job guarantee employment when unemployment grows and contracting it when the need dissipates serves as a countercyclical automatic stabiliser.

Respecting subsidiarity and social rights, key principles of job guarantee initiatives that ought to be observed include voluntary participation of the unemployed, non-replacement of existing public sector jobs, full adherence to legal labour standards,

public funding and effective implementation by municipal and local government, but in some cases by non-profits and social economy entities as well. Also important are multi-level stakeholder participation for project selection, and provision of training and upskilling within the framework of lifelong learning. Current and past experiences of job guarantee initiatives within the EU context offer many lessons and provide ample opportunity for collaboration and peer learning.

A final word on financing a job guarantee. The SURE instrument has recently shown that political will and decision-making can deliver solutions that benefit working people, businesses and the overall economy at the same time. It is more urgent than ever to act in solidarity for the common purpose of reducing and eventually eliminating long-term unemployment. Gradual implementation of such a policy is certain to deliver a strong and clear message that a Social Europe is possible.

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## **Part III**

### **Trade unionism and workplace democracy**





## **Chapter 9**

# **'A just share of the fruits of progress': the role of collective bargaining**

K.D. Ewing

### **Introduction**

One of the most important obligations in the ILO Declaration of Philadelphia is also one of its most neglected. This is the 'solemn obligation' to 'further among the nations of the world programmes which will achieve' ten objectives. These include 'policies in regard to wages and earnings, hours and other conditions of work calculated to ensure a just share of the fruits of progress to all'. Rather curiously, the same paragraph continues with a commitment to policies that will ensure 'a minimum living wage to all employed and in need of such protection'. Curious because the latter is surely implied by the former: how is it possible to have 'a just share of the fruits of progress' that does not guarantee a wage sufficient to sustain life? And what kind of theory of social justice would consider it to be enough that everyone is entitled to no more than a low wage sufficient to sustain the essentials of life? Or that unconstrained inequalities of income, wealth and power are 'just', as a commitment to no more than a minimum living wage would suggest?

These are questions that appear not to have been asked in the ILO literature or scholarship. The idea of a 'just share of the fruits of progress' is obviously contestable, a battleground between competing ideologies. But this seems to be little justification for the lack of progress in advancing what is a constitutional obligation, the importance of which we were reminded by the Covid-19 pandemic (Ewing 2021). The latter exposed the extent to which the work of key members of the community – notably service providers in (i) transport, (ii) food production, distribution and retail, and (iii) health and social care – is greatly undervalued, while the work of others (notably in banking, finance and investment) is greatly overpaid. The problem was compounded by the fact that those who carried the heaviest burden on the front line were also exposed as a result of their selfless commitment to a disproportionate risk of illness and in some cases death. Their experience was all the more unforgivable in view of an international legal obligation which is now almost 80 years old.

It is time we took seriously the obligation in the Declaration of Philadelphia and time we started a debate about what it means to further a programme that will achieve 'policies in regard to wages and earnings, hours and other conditions of work calculated to ensure a just share of the fruits of progress to all'. Doing nothing is not an option, which is not to suggest that there is an easy solution or an easy set of solutions. Building on joint work with Lord Hendy KC (Ewing and Hendy 2020, 2023), however, I suggest in this chapter that a good starting point is that a 'just share' depends on both a 'just process', as well as 'just outcomes' from that process. In terms of a 'just process', it is essential that it should

be participative so that workers have the opportunity effectively to determine the terms under which they are employed. So far as ‘just outcomes’ are concerned, it is proposed that these should comply with two basic principles: the right to equal pay for work of equal value, and the right to fair pay where work is of different value.

## **1. A just process: the role of collective bargaining**

The starting point is the process by which the pot is to be divided. Obviously this requires deliberative democratic procedures through which the community can make decisions about how private wealth is to be permitted to accumulate and transferred within and between generations. It also enables decisions to be made about the balance between public and private sectors and the extent to which services should be provided to benefit citizens, not shareholders; about what percentage of private sector profit should be allowed to be paid to investors and how much in wages and benefits; about the permitted range between minimum and maximum income; and about the role of taxation and other levers to ensure that income equilibriums are maintained. These deliberative democratic procedures take place within the framework of the political constitution and its representative bodies: legislative, executive and judicial. But they also take place within the framework of the economic constitution, and the intermediate arrangements that bridge the political and the economic (Dukes 2014; Ewing 2020).

### **1.1 Collective bargaining coverage**

Collective bargaining is widely acknowledged as being at the heart of the economic constitution (Novitz 2020). As such, it is recognised in the Declaration of Philadelphia, which refers to the duty of the ILO to promote among the nations of the world policies to promote

the effective recognition of the right of collective bargaining, the cooperation of management and labour in the continuous improvement of productive efficiency, and the collaboration of workers and employers in the preparation and application of social and economic measures.

This commitment reflects the fact that collective bargaining serves a number of functions. First, it allows workers through their representatives – who should be elected by and accountable to trade union members – to participate in making the rules by which they are governed while at work: the wages, benefits and working conditions. In this sense it performs a democratic function. Secondly, collective bargaining performs a regulatory function in the sense that it determines the rate at which wages will be paid and other conditions of employment will be observed by all employers covered by the agreement.<sup>1</sup> Collective bargaining is not the only method by which relations

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1. That regulatory role is reinforced by the legal definition of a trade union in British law, which refers to trade unions as organisations the principal purposes of which include the regulation of relations between workers and employers: Trade Union and Labour Relations (Consolidation) Act 1992, s 1.

are regulated by trade unions, but - together with regulatory legislation - it is the most important.

For collective bargaining to be effective as a participatory and regulatory tool, however, it must have universal coverage: every worker has the right to be protected by a collective agreement. At European level this has been an ambition of many since at least the day when Jacques Delors persuaded British trade unions at the TUC Annual Conference in 1988 to throw off their scepticism and support the European project. As Brian Bercusson always emphasised, there has been longstanding recognition of the importance in EU law of social dialogue, collective bargaining, and collective agreements as democratic processes and regulatory mechanisms (Bercusson 1993, 1994, 2009; Bruun, Lörcher and Schömann 2009). This is to be found now in multiple constitutional instruments, including the TFEU, the EU Charter of Fundamental Rights, as well as several directives including the Posted Workers Directive and the Working Time Directive. Indeed, in the Posted Workers Directive collective agreements are treated with the same respect and as having the same authority as legislation, as should be the case.

The EU's Adequate Minimum Wage Directive takes these developments another step forward, and does so by invoking in Recital 1 the hitherto much overlooked potentially social democratic promise of TEU, article 3. Recital 1 thus emphasises the importance of collective bargaining in promoting the 'well-being' of the 'peoples' of the EU, in a 'competitive social market economy, aiming to ensure full employment and social progress, a high level of protection and improvement of the quality of the environment, while promoting social justice and equality between women and men'. For all its considerable virtues, however, the EU Adequate Minimum Wage Directive appears to view collective bargaining through the lens of the economist and to see the process largely in regulatory rather than also in democratic terms, as reflected for example in Recital 7:

Better living and working conditions, including through adequate minimum wages, benefit workers and businesses in the Union as well as society and the economy in general and are a prerequisite for achieving fair, inclusive and sustainable growth. Addressing large differences in the coverage and adequacy of minimum wage protection contributes to improving the fairness of the Union's labour market, to preventing and reducing wage and social inequalities, and to promoting economic and social progress and upward convergence. Competition in the internal market should be based on high social standards, including a high level of worker protection and the creation of quality jobs, as well as on innovation and improvements in productivity, while ensuring a level playing field.

But although the focus is on the regulatory rather than the democratic function of collective bargaining, the Directive is nevertheless remarkable: not because it addresses the question of minimum wages throughout the EU, but because it requires Member States to develop an Action Plan with a view to securing collective bargaining coverage of 80 per cent, which is an astonishing ambition in the current political climate. So why 80 per cent? According to the Directive's Recital 25:

Member States with a high collective bargaining coverage tend to have a small share of low-wage workers and high minimum wages. Member States with a small share of low-wage earners have a collective bargaining coverage rate above 80%. Similarly, the majority of the Member States with high levels of minimum wages relative to the average wage have a collective bargaining coverage above 80%. Therefore, each Member State with a collective bargaining coverage rate below 80% should adopt measures with a view to enhancing such collective bargaining. Each Member State with a collective bargaining coverage below a threshold of 80% should provide a framework of enabling conditions for collective bargaining, and establish an action plan to promote collective bargaining to progressively increase the collective bargaining coverage rate.

That said, it is also to be noted that ‘in order to respect the autonomy of the social partners, which includes their right to collective bargaining and excludes any obligation to conclude collective agreements’, the threshold of 80 per cent of collective bargaining coverage should be construed only as ‘an indicator triggering the obligation to establish an Action Plan’.

Nevertheless, any ‘Action Plan should be reviewed on a regular basis, at least every five years, and, if needed, revised’. Moreover, the Action Plan and any update thereof ‘should be notified to the Commission and be made public’. But although formally it is left to Member States to determine how the Directive’s objectives are to be met, by setting a target of 80 per cent coverage, the Commission is also effectively mandating the means by which it is to be done. This indeed is suggested by Recital 16. According to the latter:

While strong collective bargaining, in particular at sector or cross-industry level, contributes to ensuring adequate minimum wage protection, traditional collective bargaining structures have been eroding during recent decades, due, inter alia, to structural shifts in the economy towards less unionised sectors and to the decline in trade union membership, in particular as a consequence of union-busting practices and the increase of precarious and non-standard forms of work. In addition, sectoral and cross-industry level collective bargaining came under pressure in some Member States in the aftermath of the 2008 financial crisis. However, sectoral and cross-industry level collective bargaining is an essential factor for achieving adequate minimum wage protection and therefore needs to be promoted and strengthened.

In other words, an 80 per cent target will be met only by sectoral level bargaining, which will inevitably be *de facto* the default position throughout the 27 Member States of the EU. The bargaining level thus seems to be integral to the collective bargaining commitment.

## 1.2 Collective bargaining levels and scope

That being the case, there is much work to be done by Member States individually. State intervention will be necessary to create state sponsored machinery to provide a framework within which sectoral bargaining can take place (Ewing, Hendy and Jones 2016). And if the regulatory function of sectoral bargaining is to be met, it will be necessary also to ensure that agreements have binding legal effects not only on parties to the agreements but also all other employers and workers in the sector to which the agreement is to apply. Employers may be free not to participate in the process, but they cannot be permitted to escape its binding effects. That said, if the rationale of collective bargaining is its contribution to participation in the economic constitution, as well as a regulatory economic tool, it may be necessary to revisit the concession in Recital 25 which draws attention to the autonomy of employers and their right not to conclude a collective agreement.

Although crucial, it is also the case that sectoral bargaining is not enough. It needs to be supplemented by enterprise-based activity if the full potential of collective bargaining is to be realised. EU law enterprise-based initiatives, however, hitherto have tended to eschew collective bargaining, no doubt in deference to different forms of workplace representation operating in Member States. But mandatory information and consultation on collective redundancies, business transfers, or contractual changes is no substitute for collective bargaining, even if the consultation has to take place 'with a view to reach an agreement'. And while the idea of transnational works councils is greatly to be applauded, they too fall a long way short of transnational collective bargaining structures at enterprise level, particularly when all that is required is an annual meeting 'to be informed and consulted, on the basis of a report drawn up by the central management, on the progress of the business of the Community-scale undertaking or Community-scale group of undertakings and its prospects'.

There is nothing to stop Member States from promoting enterprise-level bargaining alongside sectoral bargaining in the Action Plans required by the Adequate Minimum Wage Directive, and it is essential that Member States should be encouraged to promote both. This is not to suggest that enterprise-based bargaining could ever be regarded as an adequate substitute for sectoral bargaining. The US, Canadian and UK experiences reveal the perils of the former. But equally, it should not be presumed that sectoral bargaining can carry the collective bargaining burden on its own. A coherent collective bargaining strategy embracing both its regulatory and democratic functions would embrace both: sectoral bargaining setting the minimum terms for the sector as a whole, and enterprise bargaining building on and adapting the sectoral agreement to the conditions of the individual enterprise. This would be subject of course to the favourability principle whereby in the event of conflict between agreements, the one most advantageous to the worker will take priority.

Finally, in addition to the need for the universal coverage of collective bargaining and multi-level bargaining procedures, as will be discussed on page 145, there is a need further for the integration of collective bargaining procedures. For the moment, however, it is necessary to emphasise the question of bargaining scope. To this end,

by Article 4(1) the Adequate Minimum Wage Directive refers to the duty on Member States to take various measures in relation to ‘the right to collective bargaining on *wage-setting*’, including the duty to ‘promote the building and strengthening of the capacity of the social partners to engage in collective bargaining on *wage-setting*, in particular at sector or cross-industry level’ (emphasis added). But it is also true that the duty in Article 4(2) to establish an Action Plan ‘to promote collective bargaining’ is much wider. For this purpose, collective bargaining is defined to mean negotiations for ‘determining working conditions and terms of employment’. This goes further than the title of the Directive would suggest.

The potentially very wide scope of the latter obligation reinforces the sense that the Directive is a significant break with the recent past (Countouris and Freedland 2013; Ewing 2015), and a wholly unpredictable political achievement. There should be no restriction on the subject-matter of collective bargaining, in the sense that it should apply to all terms and conditions of employment and all other aspects of the working environment. Any rule, practice or convention in the workplace, and any obligation required of a worker and any service provided by an employer should be the subject of bargaining and agreement. As suggested by Article 4(2), workers have a right not only to be protected by a collective agreement, but through collective bargaining to participate in the making and administration of all the rules by which they are governed. The democratic purpose of collective bargaining means that all power exercised by an employer should be constrained by a deliberative workplace process.

## 2. A just outcome

Collective bargaining in general has ‘just’ tendencies in the sense that it raises wages and improves working conditions overall, and thereby contributes to the equalisation of incomes. In the words of the TEU, Article 3, it promotes the ‘well-being’ of ‘peoples’. Indeed, high levels of collective bargaining density are associated with lower levels of inequality, as most vividly illustrated by the United Kingdom, where the 1970s – much maligned in right-wing culture – are best remembered not for industrial conflict, coal shortages, petrol rationing, and the three-day week, but for the lowest levels of inequality in British history at a time when collective bargaining density exceeded 80 per cent. Fuelled by ideologically driven change, collective bargaining density has sharply declined since then, to levels somewhere in the region of 25 per cent. It is not a coincidence that inequality has increased in the same period to staggering levels.

### 2.1 Collective bargaining practice

The restoration of collective bargaining will go some way to arresting and reversing this trend. But as already suggested, collective bargaining has to be more than a deliberative process and/or a market mechanism. It was pointed out above that regulation (probably in the form of legislation) is required to create the machinery within which collective bargaining is to take place in the absence of voluntary initiatives by the social partners. Regulation also needs to address the accountability

of bargaining representatives (if its democratic purposes are to be realised) and the legal effects of collective agreements (if its regulatory effects are to be achieved). But – as was recognised by at least some government ministers in the very different and difficult circumstances faced by the post-war Labour administration – regulation is necessary further to address bargaining outcomes to ensure that they are ‘just’, and not simply the replacement of individual market power with collective market power.<sup>2</sup>

Thus in one notable Cabinet intervention in 1947, Ministry of Labour support for unregulated collective bargaining (‘collective laissez faire’) was denounced by the Deputy Prime Minister (Herbert Morrison) as the economics of the ‘Manchester School’, and as representing the ‘mentality of nineteenth century capitalism’.<sup>3</sup> The concern of ministers at the time was with the impact of collective bargaining in the context of a planned economy in which there would be full employment (a major contemporary concern), with Morrison urging that steps be taken to persuade workers ‘to recognise that in our fairly advanced stage of transition to a new social order, the first economic duty of each man and woman is to the nation as a whole’.<sup>4</sup> There were, however, more specific concerns explored in a fascinating Memorandum by the Minister for Fuel and Power (Emanuel Shinwell), who argued that:

The defects of the current method of wage-fixing seem to me to be very serious, and especially so in the present economic situation and that which lies immediately ahead. A satisfactory system of wage-fixing should, in my view, give the following results:

- (a) All wages should be at least sufficient to provide the wage-earner with a minimum standard of living, covering all the essential needs of life.
- (b) This minimum should broadly apply to men and women alike; to meet the greater needs of workers with families to support, the existing system of family allowances should be augmented, by increasing the weekly payments and providing for their further increase if conditions warrant.
- (c) Above this minimum, actual wages in different occupations should not vary one from another erratically on account of factors like the bargaining strength of different negotiating parties. They should bear a consistent relationship, depending on the different degrees of skill required in different occupations, and—especially important in our current man-power situation—the comparative reluctance or readiness of workers to engage in particular occupations; we must, in short, be able to use wage relations towards solving the problem of the vital but undermanned industries.<sup>5</sup>

In terms of normative standards, paragraph (c) is clearly the most important and is to be emphasised as a result. According to Shinwell, it was apparent that the positive effects he identified were ‘not consistently achieved by the prevailing methods of wage-

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2. I am drawing here on work currently ongoing with my colleague Dr Andrew Moretta.

3. TNA, CAB 129/20/202 (National Wages Policy, Memorandum by Herbert Morrison, President of the Board of Trade, 14 July 1947, para 4).

4. Ibid.

5. TNA, CAB 129/19/189 (A National Wages Policy, 30 June 1947, para 4).



fixing’, pointing out that ‘wages vary from industry to industry, and even within a single industry, for reasons quite unrelated to differences of skill and to relative shortages of labour in different occupations’.<sup>6</sup> Notably, ‘one main cause of variation is the strength or weakness of the trade unions concerned’.<sup>7</sup> These concerns are of continuing relevance to the operation of collective bargaining machinery, albeit in different social, economic and political circumstances. There should be no ‘erratic’ variation of wages on irrational grounds between different groups of workers. But – as will be argued below – nor should wages depend *only* ‘on the different degrees of skill required in different occupations’ or ‘the comparative reluctance or readiness of workers to engage in particular occupations’.

As suggested above, questions about the ‘justness’ of erratic pay differentials were again brought into sharp focus by the Covid-19 pandemic. It is a problem that needs multiple responses. Wage determination is one of these responses, and the problem needs to be addressed as we take steps to promote collective bargaining. Shinwell proposed a statutory machinery within which his concerns could be met, including the creation of a Central Advisory Wages Council with wide discretionary powers to ‘investigate and report on claims for higher wages, taking into account the wider economic and social issues raised’. These important ideas were never adopted and have since been lost. Acknowledging their importance, however, an alternative way by which they could be endorsed and developed would be by underpinning collective bargaining at both sectoral and enterprise level with two related principles. I refer to these as the principle of ‘equal pay for work of equal value’, on one hand, and the principle of ‘fair pay for work of different value’, on the other.<sup>8</sup>

This means embedding by law both of these principles as binding considerations that must guide collective bargaining. The first is already recognised by the ILO Constitution, the preamble to which refers to the ‘principle of equal remuneration for work of equal value’, as an example of the type of ‘improvement’ that is ‘urgently required’. That was in 1919. The principle is repeated in the ICESCR 1966, which provides under Article 7 that State parties must ensure remuneration which provides all workers as a minimum not only with ‘fair wages’, but also ‘equal remuneration for work of equal value without distinction whatsoever’. ICESCR, Article 7 corresponds to the two principles referred to in the previous paragraph. So far as I am aware however no steps have been taken

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6. Ibid, para 5.

7. Ibid.

8. A rare example of the right to equal pay for work of equal value being formally acknowledged in pay determination is to be seen in the terms of reference for the National Health Service Pay Review Body in the United Kingdom. The latter is a body established by government to recommend annually on pay and working conditions, which the government is free to accept or reject. It has to be emphasised that this is not the same as collective bargaining: trade unions make representations to the Pay Review Body; they do not negotiate with it. Moreover, its deliberations do not lead to binding outcomes. That said, it is not clear what is meant by equal pay for equal value in this context, whether it is being used in the sense deployed in the ILO Constitution, or in the sense subsequently deployed in the ILO Equal Remuneration Convention No. 1951? But for present purposes it does not matter. What does matter is that it is possible to charge them with the task of setting or recommending how pay should be set with the responsibility that everyone should be entitled to be paid the same for work of equal value. In this case of course it may be that any recommendations would apply only to those employed by the National Health Service, but not necessarily to those who are employed in health services. See NHS Pay Review Body, Thirty Fifth Report 2022, CP 717, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1092270/NHSPRB\\_2022\\_Accessible.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1092270/NHSPRB_2022_Accessible.pdf)



to give full legal recognition to either. The principle of equal pay for work of value has been implemented widely but only to a limited extent. There appears otherwise to be no effective legal recognition of the right to fair pay for work of different value.

## 2.2 Collective bargaining principles

As suggested above, the principle of equal pay for work of equal value has been made operational by international, European and domestic law, albeit in the limited – but obviously hugely important – context of gender pay. But apart from the need to generalise the principle to make it apply more widely, there is a need also to broaden our understanding of value for the purposes of the principle. In terms of the role of equal pay for work of equal value in the specific context of gender pay differences, the OECD has drawn attention to the use of 'measurable, objective standards' and emphasised the importance of 'identifying the relative worth of jobs using objective criteria of work-related characteristics, not worker-related characteristics' (OECD 2021). Under the British Equality Act 2010 (based substantially on EU law), a job performed by a female claimant is defined to be of equal value to that of a male comparator if the job in question is equal in terms of the demands made by reference to 'factors such as skill, effort and decision-making'.

The problem here, however, is that these factors intentionally focus on matters internal to the job, taking no account of external factors such as the social value of the work. That would be more difficult to measure objectively. Nevertheless, just as Shinwell was preoccupied in part by the need to adjust wages to fill vacancies that no one wanted to fill, so the pandemic has taught us that work should be rewarded and valued not only for the skill, effort or decision-making required but also for its benefit to others or for the community as a whole: the care worker providing intimate care to someone at the end of life; those engaged at various points in the production and distribution of food; or all those engaged in public transport. A 'just share' for these essential workers depends not only on their limited bargaining power, or the 'relative worth of [their] jobs [to the employer]', but also the value of the work to the community. That needs to be assessed and factored into judgements about wages and benefits.

What applies here to equal pay for work of equal value applies *mutatis mutandis* to pay differentials when work is not of equal value. The fact that work is not of equal value in the expanded sense proposed in this chapter does not mean that great differentials in pay between two groups of workers can be justified. Although different pay rates might be justified for work of unequal value, the differences should be proportionate, having regard to relative differences in the work in question. This is the principle of fair differentials, which should also inform collective bargaining outcomes. Like the principle of equal pay for work of equal value, the principle of fair differentials should be one of general application. It is not a principle exclusively of gender pay equity, though obviously it could be used very productively for that purpose as well. Any differentials would have to be justified, as being proportionate, with due regard to the different value of the work and also perhaps to considerations such as higher wages where recruitment is difficult.

There is one final important matter. This is the question of enforcement. When the Equal Pay Act 1970 was first introduced in the United Kingdom, provision was made whereby either party to a collective agreement could make a reference to what was then the Industrial Court (which despite its name was an arbitral body) to seek the removal of a discriminatory term in a collective agreement. Under the proposals sketched above, it ought to be possible for either a party to a collective agreement or a person to whom a collective agreement applies to make a reference to an arbitral or judicial body to challenge the subject matter of the agreement because it fails to implement either the principle of equal value, or the principle of fair pay for work of different value. If the complaint is upheld, it would be the duty of the body to whom the complaint is made to require the parties to alter the agreement to give effect to the relevant principle or principles, with an obligation also to remedy any injustice that has arisen as a result.

Of even greater importance, however, is the need to facilitate complaints made on an inter-sectoral basis so that wage levels in one sector can be compared with wages in another sector. To borrow from Shinwell again, 'the desired relative wage structure cannot possibly be arrived at by any method of fixing wages in one industry alone'.<sup>9</sup> If a 'just share of the fruits of progress' is to be delivered through the medium of collective bargaining (together with other instruments), it is essential that provision should be made whereby the terms of a collective agreement in one sector can be compared with the terms of a collective agreement in another sector. This would be with a view to an uplift of terms and conditions of employment in the former where there is work of equal value between the two, or where there are unfair differentials between the two. Just as it is necessary to integrate sectoral and enterprise collective bargaining, so it is necessary to facilitate both inter-sectoral comparisons intra-sectoral comparisons.

## Conclusion

A just share of the fruits of progress thus begins with just procedures producing just outcomes. But, as suggested, just procedures will not necessarily produce 'a just share of the fruits of progress'. The Covid-19 pandemic brought into even sharper focus the aphorism that the greatest burden is often carried by those with the narrowest shoulders. It was perhaps ever thus. Yet the Declaration of Philadelphia mandates us to do something about it (Ewing 2021), and to produce a more sophisticated solution than the promotion of collective bargaining or a statutory minimum wage can secure. Collective bargaining can be only one piece of a progressive jigsaw puzzle. It is not enough that collective bargaining replaces individual bargaining as a source of market power, with the spoils going to those with the greatest leverage regardless of the contribution they make. The Declaration of Philadelphia invites us to consider the need for a regulated framework within which collective bargaining is conducted if it is to ensure not generalised improvements, but 'just outcomes' for everyone.

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9. TNA, CAB 129/13/255 (A Proposed Wages Policy, 22 October 1946, para 8), annexed to the document referred to in footnote above.

So, what would other pieces of the jigsaw look like? So far as process is concerned, it would include not only participation through collective bargaining in determining terms and conditions of employment, but also the democratisation of the enterprise, beyond measures such as information and consultation procedures or European Works Councils. This takes us into territory staked by scholars such as Isabelle Ferreras (2017) (who emphasises the role of the firm as a political entity) and Ewan McGaughey (2018, 2019, 2021) (who emphasises democratic participation in the firm through the right to vote). In McGaughey's case that would mean the right of workers to vote on matters such as the directors of the company (or their equivalent in public enterprises); the allocation of surplus (investors, investment, or wages);<sup>10</sup> and in the key decisions of pension fund trustees (on the board of which workers ought also to be represented). So far as outcomes are concerned, the issue is not a guaranteed minimum but a permitted maximum.

The immediate concern, however, is collective bargaining, the first step of a progressive journey. Having regard to the proposals in Section 2, the key points are first, the generalisation of the existing principle of equal pay for work of equal value, thereby enabling it to fulfil its full unconditional potential, as expressed in the preamble to the ILO Constitution. Secondly, there is the need to recognise and make operational the need for fair differentials where work is agreed to be of different value, a principle which, to my knowledge, is not legally recognised at all. Finally and critically, there is a need to enable comparisons to be made on a cross-sectoral basis if workers are genuinely to be rewarded for their effort and contribution. It makes no sense to confine a principle of equal pay for work of equal value or a principle of fair pay for work of different value to individual sectors. To do so may help address internal anomalies, but it would do nothing for those whose work is undervalued in sectors where low pay and poor conditions are deeply embedded.

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10. See also Collins (2020).

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## Chapter 10

# Towards ecological embeddedness in democratised workplaces: addressing climate change as a labour issue

Philippe Askenazy and Claude Didry

### Introduction

The climate crisis and associated public policies entail the transition of large industries, from energy generation to car manufacturing. The consequences for workers in these industries have attracted the attention of trade unions, which have proposed ambitious *manifestos* towards a ‘just transition’. The scope of such a just transition is limited mainly to activities and communities directly impacted by climate policies and to state regulations. The energy transition tends to focus on the problem of reducing or even eliminating highly polluting sectors. This is particularly true of the coal and oil industries, where the prospect of job cuts is pushing trade unions to resist the necessary adjustments. It is true that the oil industry union in Norway has undergone an important evolution by initiating negotiations on restructuring, paying due attention to social considerations (Normann and Tellmann 2021). But environmental concerns are still being promoted first and foremost by non-governmental organisations (NGOs). The judgment of a Dutch civil court in 2021 ordering the supermajor Shell to reduce its worldwide CO<sub>2</sub> emissions by 45 per cent by 2030 (compared with 2019 levels) followed a request by Friends of the Earth and a multitude of other environmental associations.

From an environmental labour studies standpoint,<sup>1</sup> this chapter explores how workers and trade unions in Europe can address environmental issues in all activities, including those not directly targeted by ‘just transition’ policies. Ecological conversion across the economy should emerge from the actions of workers themselves, going beyond the mere adaptation of workers in threatened occupations. This therefore leads us to consider grassroots initiatives within the workplace or local community. By departing from the so-called ‘creative destruction’ spiral, they are more likely to meet population needs, even new collective and individual needs, and improve labour relations.

Such initiatives contribute to the design of new production strategies. This intellectual dynamic we define as *ecological embeddedness* is already being pushed by ‘citizens in the workplace’ and local actors, and allows us to explore the concrete environmental issues at stake in working at an environment–labour nexus. At the same time, this dynamic brings to the fore the role of trade unions and democracy at the workplace level. This anchoring of environmental issues in economic sectors by workers themselves gives rise to a redefinition of environmental initiatives by collective actors, usually at national or even international level.

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1. See Räthzel et al. (2021) for an introduction to this emerging transdisciplinary research field.

In Section 1 we discuss the successes and limitations of the concept(s) of just transition long promoted by trade unions. Section 2 presents two cases – the cultural sector and local initiatives in a manufacturing area – that illustrate the process of ecological embeddedness via transformative ideas of citizens in the workplace and communities. Before concluding with policy perspectives for Europe, we explore, in Section 3, paths by which trade unions might promote deliberative democracy at work on ecological issues and thereby achieve embeddedness.

## **1. Just transition today: a mainstream concept**

### **1.1 From a trade union concept to a pillar of the European Commission's strategy**

The concept of a 'just transition' emerged at the end of the previous century. In a special issue of the *International Journal of Labour Research* entitled 'Climate change and labour: The need for a "just transition"', Rosenberg (2010) traces it back to an online text by a Canadian trade unionist Brian Kohler posted in 1998.

During the next decade, the concept of a just transition matured and became a flagship of the union movement (Pochet and Galgóczi 2012). At its second Congress the International Trade Union Confederation declared that just transition is key to the union approach to the climate challenge: 'Congress is committed to promoting an integrated approach to sustainable development through a just transition where social progress, environmental protection and economic needs are brought into a framework of democratic governance, where labour and other human rights are respected and gender equality achieved'.<sup>2</sup>

Most global and regional industrial confederations are now supporting just transitions with almost the same pillars. Take IndustriALL, a global union created in 2012 that represents 50 million workers in 140 countries in the mining, energy and manufacturing sectors, which are in the frontline of public policies on decarbonisation. IndustriALL's just transition manifesto calls for:

- an industrial policy fit for ambitious climate goals and good quality jobs;
- adequate resources to fund the transition;
- stronger collective bargaining and social dialogue to negotiate transitions;
- a toolbox of workers' rights and companies' duties to anticipate and shape change;
- tackling new skills needs and a right to quality training and lifelong learning for every worker in support of the just transition.

As Rosenberg (2010) and Pochet and Galgóczi (2012) highlighted over a decade ago, a just transition is a supporting mechanism of climate and, more generally, environmental action based on a consensus that environmental and social policies can reinforce each

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2. See [https://www.ituc-csi.org/IMG/pdf/2CO\\_10\\_Sustainable\\_development\\_and\\_Climate\\_Change\\_03-10-2.pdf](https://www.ituc-csi.org/IMG/pdf/2CO_10_Sustainable_development_and_Climate_Change_03-10-2.pdf)

other. The just transition is for its promoters also a necessary condition for ensuring social and democratic acceptance of the transition towards a decarbonated economy.

This inspiring approach did not remain confined to the labour movement or environmental NGOs. In 2015, the ILO adopted the *Guidelines for a just transition towards environmentally sustainable economies and societies for all*. It calls for ‘coherent policies’ to provide ‘a just transition framework for all to promote the creation of more decent jobs, including, as appropriate: anticipating impacts on employment, adequate and sustainable social protection for job losses and displacement, skills development and social dialogue, including the effective exercise of the right to organise and bargain collectively’.

Its popularity has yielded a variety of ‘just transition’ concepts, ranging from a ‘neoliberal’ one to a ‘socio-ecological transformation’ (Kreinin 2020). Mainstream institutions (such as the World Bank, the IMF and the OECD) are forging their own versions of just transition narrowed down to ‘ecological modernisation’.

The European Commission’s interpretation of just transition has particular structural importance. It is a pillar of its Green Plan to meet European commitments to reduce greenhouse gas emissions. Its Just Transition Mechanism (JTM) is presented as ‘an essential tool to ensure that the transition to a climate-neutral economy takes place in an equitable way, leaving no one behind. It provides targeted support to mobilise around €55 billion over the period 2021–2027 in the most affected regions to mitigate the socio-economic impact of the transition.’ This will thus allow Member States to benefit from EU support in carbon-intensive regions and those in which the fossil fuel sector is a major provider of employment. But in the Commission’s presentation, just transition appears to be a recycling of the flexicurity that was at the heart of its employment recommendations in the 2000s. It addresses the problem of employment losses in highly unionised sectors through social compensation and flexibility, without considering the capacity of workers themselves to develop transformative proposals for the economic activities in which they are involved.

## 1.2 A Schumpeterian approach

One criticism of this just transition approach is that by focusing on climate challenges, it does not embrace all environmental issues, especially preservation of biodiversity. Here we point out another double caveat. First, fundamentally, just transition is a response to the destruction of old carbonised activities and the creation of ‘neutral’ ones and ways of accelerating this transition. Therefore, the main targets are agriculture, energy, manufacturing and transport, the workers in these sectors, and the regions in which these industries and their workers are historically settled. This leaves large portions of the economy, territories and workforce outside the scope of just transition. In this framework, the global outlook for Europe seems encouraging because the EU has reached its own target for reducing greenhouse gas emissions (though without integrating carbon leakage, such as offshoring manufacturing to China). Second, it does not depart from ‘Schumpeterian’ growth that encourages the exploitation of nature;



on the contrary, it puts Schumpeterian technological innovation front and centre in building a sustainable world. In that framework, however, rentier capitalism and even financialisation can indulge in greenwashing.

This narrowed version of just transition leads to two dead-ends. The first is the scale of emissions reductions required and the preservation of biodiversity, which mean that all economic activities need to be involved, not just the most emitting sectors. The second is democratic. In the process of destruction that the transition implies, what distinguishes a just transition from an unjust transition is the implementation of social measures to tackle job losses. Having said that, the just transition is based on a view of a hierarchical organisation of economic activities, in which public policies are relayed by company managements. This framework may legitimise the view that environmental issues are a corporate prerogative, part of corporate social responsibility, thereby excluding various stakeholders, such as trade unions, workers and citizens in general. This gives rise to profound challenges to the economic fabric, which may tend over the medium to long term to turn unemployed workers and, more broadly, part of local populations against transition, whether just or unjust. In the United States, the climate-hostile policy promoted by Donald Trump has reinforced an already strong opposition on the part of employees and areas that have benefited from the revival of coal following the restarting of thermal power stations. Similarly, the success of extreme right-wing populism in Europe also feeds on industrial nostalgia and is gaining ground in deindustrialised territories, even within the framework of deindustrialisation justified by ecological transition. Furthermore, the European energy crisis in the wake of the Russian aggression in Ukraine fuels arguments for maintaining the use of coal to secure European independence. Even the ambitious agenda of the socio-ecological version of just transition will find it hard to overcome this political impasse.

Even if the just transition has been successful to date, it remains politically fragile and is now a victim of its own success: co-opted by mainstream institutions, it is losing its capacity to carry transformative ideas.

Unionisation seems to encourage a shift among workers toward greater acceptance of the need to prioritise environmental issues (Rinqvist 2021). But here again, a hierarchical vision of society prevails in which it is up to the trade unions to relay public policies. Moreover, the hypothesis of a systematic trade union orientation towards a pro-ecological transition has been questioned: environmental labour studies highlight the contradictions that run through trade unionism.<sup>3</sup> The challenge is then both to question production processes in all economic sectors, including expanding ones, to support workers in their reframing initiatives and to forge an ecological hegemony based on workplace democracy. To rephrase the statutes of the First International, the ecological emancipation of the workers must be the workers' own doing.

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3. German and Austrian industrial unions have been examined particularly closely by the literature (for example, Kraemer 2018; Barth and Littig 2021; Pichler et al. 2021). Their positions also express an attachment to maintaining the industrial activities at the core of their domestic economies, on which they can build or support transformative initiatives.



## 2. Ecological embeddedness

### 2.1 What could be the next step in addressing this challenge?

Workers' collectives and local initiatives are inspiring. They have basically two motives: the decarbonisation of the industry in which they work and/or the local environmental impact of current and future production. This reframing addresses the whole production process, including the location of workplaces and human resource management. The nature of the final output may also be called into question. As a result of such questions ecological issues may become *embedded* within production, and not just an adaptation to climate change or new regulations for the market economy which is at the heart of the European construction. This means, in Polanyi's perspective, the reduction of criticisms of a socially disembedded economy to the market principle as the most efficient allocation system in history (North 1977). By contrast, ecological issues can be raised within the material processes of production by the workers themselves. This echoes the notion of a 'new economy of the labour contract [suggesting] the characteristics of new industrial relations which, oblivious to the impersonal laws of the competitive economy, must immerse themselves in a context where "everything is the environment"' (Lyon-Caen and Perulli 2022). Interestingly, this orientation is outlined by initiatives emerging in industries not targeted by government climate/environmental policy. In this section we present two illustrations: bifurcations in the cultural sector and a local initiative in a French manufacturing area.

But first, a few remarks about so-called 'slow fashion' (a term coined by design activist Kate Fletcher). Fashion is at the intersection of culture and manufacturing. The concept of slow fashion generally describes a holistic approach that opposes the dominant fast fashion model: long-lasting clothing, made locally, mainly from fair trade and sustainable sources. Slow fashion – sustainable fashion, more broadly – has attracted considerable attention in the fashion world, from the press to NGOs, and even among academics, who have written hundreds of articles on the subject. It still has only a marginal market share, however, and despite a strong increase it is not expected to become really significant within the next 10 years. This raises the idea that sustainable fashion is a myth (Pucker 2022). But this failure derives not from the behaviour of consumers, especially those on lower incomes (von Busch 2022), but from the strategies of large companies, which have managed to water down slow fashion by multiplying their 'organic', 'fair trade' and 'clean' labels, claims of corporate social and environmental responsibility and promises of recycling and second-hand products. Finally, the workers in this ultra-segmented industry have not been able to get involved in the transformation of production. This is the essential difference from our case studies (see below).

### 2.2 Slow culture

The culture sector is fundamentally characterised by creation and innovation. But it has become a prime example of a maelstrom of creative destruction, driven by financialisation, the growing commodification of public goods and services, and

competitive pressures, including on public institutions facing budgetary restrictions in the wake of the implementation of New Public Management techniques. In a race for prestige and funding opportunities, museums, theatres or philharmonic institutions have continued to inflate their annual offerings. A concert that requires many sessions to rehearse can thus give rise to a very small number of performances over the course of a season, perhaps even one or two, and is categorised as ‘exceptional’. This bulimia is accompanied by a rapid rotation of artists and technicians, invitations of foreign orchestras, the moving of physical artworks, and so on, all with a heavy carbon footprint. Moreover, these practices allow only a few motivated connoisseurs to access art. By contrast, to boost profitability, many prestigious festivals aim to attract a growing audience and across increasing geographical distances. In addition to the travel of the spectators and the artists, gigantism requires the use and displacement of massive equipment from one event to another. Furthermore, unregulated financialisation continues to spread rapidly in the cultural sector. In just a few quarters, for example, the non-fungible token (NFT) market has attracted billions of dollars, creating income opportunities for artists but also speculative and exclusive markets based on energy-intensive blockchain technology.

These trends also have direct consequences for workers in the cultural sector. In addition to the precariousness of their jobs, artists and technicians often have to settle in very large urban centres, offering the best opportunities for work at national and international level. For example, in France, a quarter of all performing arts workers are packed into inner Paris, which accounts for only 3 per cent of the total French population, and another quarter live in Greater Paris.

The first initiatives for environmental sustainability emerged around three axes: since the late twentieth century, cultural projects have often formed part of the transitions of historical extractive or manufacturing sites.<sup>4</sup> The cultural sector can influence citizens’ values and awareness of environmental issues (the ‘Don’t Look Up’ effect). Finally, it can improve its own production processes to limit its carbon/environmental footprints.<sup>5</sup>

More recently, cultural workers’ environmental and decarbonisation concerns have instigated discussions on a bifurcation of productive approaches to production.<sup>6</sup> Their transformative potential is such that they can lead to the correction not only of environmental but also of social drift (Askenazy 2022).

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4. For example, former mines or plants are transformed into museums as part of industrial installations: examples include the UNESCO World Heritage Zollverein Coal Mine Industrial Complex in Essen and the Cité des sciences at the Belval steel plant in Luxembourg.
  5. Various calculators, toolkits and specific actions have been developed to reduce this footprint. For example, the German Association of Museums has compiled a list of recommended actions to save energy; the International Committee of Museums and Collections of Modern Art offers a ‘Toolkit on Environmental Sustainability in Museum Practice’; in France, the Ecoprod initiative of TV channels and public funders has produced a guide for ‘eco-production’ in the TV/film industry; in the United Kingdom, the Albert Consortium promotes ‘A screen new deal – a route map to sustainable film production’; and throughout Switzerland, OFFCUT collects a variety of used and discarded materials for creative reuse in sculptures or stage sets.
  6. Covid-19 has also stimulated thoughts on a bifurcation of culture in certain countries, such as Belgium: <https://linard.cfwb.be/files/Documents/futur-culture.pdf>

One exemplary form of practice is to extend the duration of performances or exhibitions, shifting from a logic of creative destruction to what we call here *slow creation*. If building a spectacle or exhibition can itself be considered creation, and attracting artists from elsewhere as enrichment, they should be offered to the widest possible public and at the lowest possible environmental cost. An alternative production model might comprise a smaller repertoire, with more performances: preparation time and the number of rehearsals would be reduced in favour of performance time and so a wider audience, with fixed and limited equipment. Low-carbon residencies would replace serial and ephemeral invitations. Gig workers would gain stability and more complete work periods. In addition to changes in the internal production model of each cultural institution, incentives could be established to facilitate pooling between cultural establishments in the same geographical area, including across borders, whether on a permanent or a seasonal basis, for instance for festivals. Performing arts professionals have suggested a systematic mutualisation of invitations of international artists, reducing their ecological cost, while opening up the financial possibility of attracting new guests.<sup>7</sup> A commitment by establishments to use local labour would allow these workers to relocate, which would also foster stability and reduce the number of long professional journeys. Through this twofold pooling, culture would become both more local and more international, more sustainable and democratic, and more creative.

Innovation also flourishes outside institutions. Inspired by short-circuit initiatives in the social and solidarity economy, such as fruit and vegetable baskets from local producers,<sup>8</sup> grassroots initiatives propose to redesign the relationship between ‘consumers’ and art and artists, offering new prospects for the latter in terms of income security and visibility. They are springing up in metropolises such as Brussels (Kilti) or in small towns such as Alençon in Normandy (Transtopie). These associations offer ‘cultural baskets’, often on a monthly basis, for prices ranging from 10 to 20 euros. The ‘basket’ includes a selection of shows, local art objects or artistic workshops. The buyer can discover new arts and local artistic offerings. Some associations also collect donations from micro-patrons, thus reclaiming the advantageous tax status of patronage and charity (which hitherto has been largely captured by the wealthy and corporations). Local artists are finding a new, relatively stable and permanent source of income.

### 2.3 Local creative conservation in manufacturing

The starting point in this case is a restructuring of a plant along lines familiar in the age of global capitalism. This plant is owned by the company La Chapelle-Darblay, located near Rouen (France), which is a subsidiary of Finnish group United Paper Mills (UPM). In response to falling demand for newsprint, the group organised the sale of La Chapelle-Darblay in 2019. This decision is part of a global strategy to close plants. By

7. See, for example, <https://theshiftproject.org/article/decarboner-culture-rapport-2021>

8. Vegetable box schemes in the United Kingdom and Solidarische Landwirtschaft in Germany. Even in France, thousands of Associations pour le maintien d'une agriculture paysanne have been created, which account for less than 1 per cent of all farms in France in terms of agricultural exploitation (Paranthoën 2020). In contrast to slow fashion, however, the agro-industry has not been able to co-opt or dilute these initiatives.

limiting paper production, however, it has fuelled an increase in its price and boosted the profitability of the remaining plants (the EU Commission is also investigating a potential cartel of European producers).<sup>9</sup>

The facility ceased its activities in 2020 and most of the staff (228 employees) were made redundant (in June 2021). Within the sector the prevalent feeling is that ‘it is very Schumpeterian. Some sites are closing, others are opening’, according to an insider quoted in *Le Monde* (11/09/2019). Over five years (2014–2019), employment in the sector fell from 15,000 to 11,000 in France. Within this corporate group, this has become routine since the mid 2010s, in the context of declining newspaper readership. The French subsidiary, one of the last of this group in France, produces one quarter of the newsprint in the country and remains profitable, but its production seems to have no future in the age of digital press. White knights are thin on the ground, but in October 2021 the group received an offer of an alliance between two large family-owned French firms: Paprec, which plans to develop heat production through the incineration of waste after its sorting, and Samfi, which plans to construct a hydrogen production installation. Most of the workforce of La Chapelle-Darblay has been laid off, but the project aims to instigate an industrial dynamic that evokes Schumpeterian ‘creative destruction’. Waste sorting and hydrogen production are not central to the restructuring, which seeks to improve profitability, but they would help to ‘green’ the group’s basic financial motivation.

This green aspect of the project was called into question by the fact the plant being closed already recycles about 40 per cent of paper waste in France. This argument was crucial for the three trade unionists who were among the last employees involved in securing the site. Two of them belong to the CGT and the third is an elected representative of CGC (for management employees). These trade unionists mobilised the support of a new and improbable alliance launched by the CGT, Greenpeace and the French anti-globalisation organisation ATTAC. This alliance, which also includes many other associations, entered the public arena in May 2020, publishing a bifurcation plan based on a variety of proposals, ranging from Covid-19 prevention to agricultural and food transition. It covers ecological (conversion of production), social (employment) and political (democratisation) issues.<sup>10</sup> Its creation was followed by a rapid mushrooming of local sections addressing local issues.

The mobilisation sparked by the closure of La Chapelle-Darblay became an ecological cause at the local level and eventually at the national level. The leaders of the CGT, Greenpeace and ATTAC visited the facility, and ecological activists were impressed by the expertise of local unionists. Meanwhile, the trade unionists managed to develop an association between Veolia, a French multinational in the utilities sector, and Fibre

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9. UPM is also trying to maximise its profits by slashing the *acquis* of workers. During the first half of 2022, UPM had to cope with a strike in Finland, which has become the longest strike in the country’s history. This strike was caused by the group’s challenge to the single paper industry agreement dating from the 1940s and the introduction of company-specific collective agreements in order to achieve flexibility (by unbundling working conditions at the company level) and competitiveness (by making concessions on working time).

10. [https://cdn.greenpeace.fr/site/uploads/2021/08/plan-de-rupture.pdf?\\_ga=2.182039716.2015194825.1664314791-810678325.1664314791](https://cdn.greenpeace.fr/site/uploads/2021/08/plan-de-rupture.pdf?_ga=2.182039716.2015194825.1664314791-810678325.1664314791)

Excellence, a Canadian multinational in the paper sector<sup>11</sup>, which had made a proposal that UPM refused to consider. The main aim was the rescue of an industry anchored in the circular economy, preserving French recycling capacity with regard to collected waste paper. In other words, ecology was at the core of the project. This went hand in hand with an evolution from graphic paper to cardboard (linked to the increase in e-commerce) without dismantling the existing equipment. This evolutionary dynamic is far removed from creative destruction and it preserves industrial potential and employment in the local area. It shows that industry does not necessarily conflict with ecology, as its preservation enables controls and improvements in production processes that relocation to more permissive countries would impede.

This mobilisation has changed the fortunes of La Chapelle-Darblay dramatically: at the end of 2021, the sale of the factory to Paprec-Samfi was halted by the Métropole Rouen Normandie (the public body grouping Rouen and its suburbs). They threatened to exercise their pre-emptive right in property sales ‘in the public interest’. It was not a question of assuming control over company assets, but of being able to arbitrate in favour of a takeover that would promote recycling and contribute to the development of the circular economy.

This position taken by local elected officials provoked a reaction from central government. It first rejected the alternative project, citing the existence of a neighbouring facility that already produces cardboard and thus a risk of overcapacity. But the mayor of Rouen (a former ATTAC activist, but now a leader of the Socialist Party), together with other left-wing mayors in Normandy, argued that the two facilities are in fact complementary. A transpartisan petition against the government’s position was signed by 50 mayors of the region, including former centre-right prime minister and also mayor of Le Havre, Édouard Philippe. Eventually, UPM gave up its initial plan, and the project developed by the local union representatives and NGOs was approved.

These two case studies in very different activities share common characteristics regarding a bifurcation based on the embedding of ecological features in the production process. Their starting point is the environmental concerns of workers and of local actors. The upshot was the proposal not only of alternative and economically sustainable production processes, but also of alternative outputs that may better meet demand or the needs of local communities. They depart from the creative destruction spiral: creation and innovation remain central, but destruction is limited.

The environment is not merely a tool for promoting old agendas, such as increasing wages and preserving jobs, in order to mitigate the impacts of modern capitalism. Embedding responses to various environmental issues (climate, circularity, biodiversity) in both the logic and the means of production made it possible to tackle social rifts, not cause them.

11. The paper sector is highly concentrated on a global scale, which is evidenced in the case of Excellence Fibre, by a shareholding dominated by an Indonesian family.

### 3. What roles for trade unions?

Ecological embeddedness can thus become a new horizon for the labour movement, combining its social and ecological objectives. In that perspective, the firm is a key level. Specifically, it is in the workplace that the current instrumental relationship with nature and the race for short-term profits are imposed, innovations are disseminated, and labour relations and democracy – including conflicts – are located. How can trade unions operate within the firm or community to promote transformation? In this section, we outline a few avenues.

Historically, trade unions have made demands on behalf of employees in relation to pay, employment and working conditions. These issues remain crucial for unions, especially in a period of inflation. They are essentially a question of sharing economic value added, including gender equality. At the same time, investment is called for in order to preserve or increase employment. Environmental issues are still addressed mainly in relation to working conditions, including occupational safety and health at work and work–life balance. In this perspective, trade unions are facing not only an environment–labour nexus in industries in transition, but also a wage–nature nexus, including in some expanding sectors. Their aims seem difficult to reconcile with the reframing of company business models to mitigate the economic rents extracted from the direct or indirect exploitation of nature. Generally speaking, demanding state regulation and state intervention, including nationalisation (as in the just transition agenda) neglects the dilemma at the firm/local level between protecting jobs and protection of the environment.<sup>12</sup>

In our view, in order to overcome this dilemma, unions should strive to become an institutional voice of ‘citizen workers’ and try to cultivate appropriate values among their members. This approach could be implemented in three steps at the workplace/firm level.

A **first** step is to collect and then disseminate information on environmental issues among workers. Many trade unions across Europe already disseminate knowledge on climate change or shrinking biodiversity. The challenge is to focus on the production processes in which workers are involved.<sup>13</sup> Trade unions can utilise their expertise in

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**12.** The case of Taranto described in Greco (2023) is particularly suggestive. Taranto is home to Europe’s largest steel mill, which accounts for about 40 per cent of Italian steel production. Using coal, the plant is carbon-intensive. After a court ordered production to be stopped because of environmental and health damage (the site emitted about 8 per cent of Europe’s total dioxin), despite government orders to allow production to continue, the unsustainability of the current steel plant became clear. For the unions, the employment–environment dilemma was acute: even so-called ‘green steel’ would lead to redundancies. Their support for the renationalisation of the plant was a way of avoiding this dilemma somewhat by at least bringing to an end private shareholders’ quest for short-term profits. Eventually, the government is planning a transition to green steel with EU support: Taranto is one of the two Italian regions supported by the Just Transition Fund (see Section 1).

**13.** Unions can try to obtain new information rights for works councils and other workers’ representative bodies across Europe. For example in France, thanks to a law enacted in 2021, employers have to provide the Economic and Social Committee (CSE) in firms with 50 or more workers with a database including statistics on the ‘environmental consequences of the company’s activity’. The CSE can also appoint a chartered accountant who provides it with information on ‘all the economic, financial, social or environmental elements’ needed to understand the firm’s strategic orientation.



occupational health and safety to tackle the environmental externalities of production. They could conduct employee surveys to identify companies' environmental footprints. In many countries, they could mobilise mandatory information tools or request external audits on employment prospects, major organisational changes and so on, systematically demanding an environmental component. If relevant, such information could be shared with local communities or associations. This step also includes the mobilisation of trade unions against discrimination or sanctions against whistleblowers warning of the environmental damage caused by their companies.

A **second** step would be to organise discussions on environmental issues at workplace level involving not only trade union members but all workers, who are both citizens of the polity and 'citizens in the firm'. In large organisations, discussions could be limited to a random assembly of workers. We can expect that such a process would yield shared transformative ideas. Well-informed citizens' assemblies on climate change – admittedly in another framework – have proved able to reach a consensus based on breakthrough measures.<sup>14</sup> And fundamentally, as we illustrated in Section 2, collectives of workers can develop or encourage the development of comprehensive proposals to overcome the job/rent-seeking/nature Gordian Knot. Workers' knowledge of production processes is essential to understanding not only the negative externalities of activities, but also their environmental potential. As we have seen, in the cultural realm and the case of live performances, the cohesion of work collectives makes it possible to capitalise on the advantages of extending the runs of particular shows for the benefit of both the workers involved and the population. In the case of the Rouen paper mill, paper recycling is crucial within the framework of environmental mitigation.

Such an approach would not necessarily be limited to employees, but may also satisfy the longer-term interests of companies or industries planning beyond the immediate satisfaction of shareholders.<sup>15</sup> Consensus remains exceptional in the context of global financialisation, however, in which climate change is difficult to address even in the most polluting industries.

Therefore, in a **third** step, trade unions as representative bodies have to present workers' ideas to the employer. This can be handled by union representatives trained in or dedicated to environmental issues. In the United Kingdom, the Trades Union Congress and its affiliates have already appointed such 'green reps' in many workplaces. British trade unions are campaigning for better rights for these reps to help them influence the environmental agenda at work, emulating the rights of health and safety representatives. Institutions already in place can be used. For example, in France, the social and economic committee expresses 'the collective voice of workers

14. See for the Irish Citizens' Assembly, Devaney et al. (2020), and for the French Citizens' Climate Convention, Giraudet et al. (2022). Proposals of the Citizens' Climate Convention (PT 4.2 and PT 6.1) were transcribed into the 2021 French law to open up new rights for works councils (see note 13).

15. For example, in contrast with the Taranto case (see note 12), the Steel Action Concept in Germany is supported by both the German Steel Federation and IG Metall. This 'concept' drawn up under the leadership of the Federal Ministry for the Economy, designates an industrial policy involving the social partners in the implementation of public subsidies to transform the steel industry into a low-carbon industry and to preserve German jobs and competitiveness. Nevertheless, even with this plan the German steel sector would exceed its sectoral CO<sub>2</sub> budget for the 1.5 °C climate goal (Harpprecht et al. 2022).

so that their interests can be taken into account on an ongoing basis in decisions relating to the management and economic and financial development of the company, the organisation of work, vocational training and production techniques, particularly with regard to the environmental consequences of these decisions'. In addition, every three years, firms with at least 300 employees have to bargain with union delegates on the firm's strategy for jobs and career paths, in particular taking into consideration the 'challenges of the ecological transition'. Trade unions can thus embed environmental issues concerning production processes in these mandatory negotiations. In the German codetermination framework, workers on the executive board can directly promote the proposals developed in step 2.<sup>16</sup>

As we have seen with the case of La Chapelle-Darblay, trade unions should not neglect the support of other stakeholders: local populations, local authorities and NGOs. In the face of financialised capitalism, achieving ecological embeddedness can even involve the threat of nationalisation or other forms of public control.

Such a trade union approach can help to cement democracy. Indeed, in terms of Dewey's conception of democracy (Festenstein 2019), 'informed' citizens – here workers and their representatives – are able to take part in deliberations aimed at designing the future of activities and jobs. This deliberative process could thus deliver substantive democracy (Cohen 1996).

## 4. Policy perspectives for Europe

The pandemic crisis has proved the crucial role of workers' initiatives at workplace level in fostering the resilience of social and economic activities, especially in so-called essential sectors. At present, European policy on tackling the climate crisis still focuses on pushing agents to decarbonise their activities using a variety of technocratic tools: carbon pricing (at domestic level and across borders), reducing fossil fuel subsidies, regulations and subsidies or direct investment for decarbonisation, including innovative technology. In this framework, a just transition aims primarily to ensure the social acceptability of this strategy rather than a 'great transformation' in Polanyi's sense (2001 [1944]).<sup>17</sup>

In addition, this strategy does little to bring citizens on board. The carbon market will remain a speculative and opaque market despite recent reforms. Furthermore, regulations and taxes fuel the 'punitive ecology' argument, in the words of French far-right leader Marine le Pen, namely that environmental measures tend to be implemented at the expense of citizens, workers and local areas. The political risk, then, is that a conservative-nationalist majority in Europe would derail any ambitious climate policy.

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16. See also on the role of codetermination in Germany, Zimmer's chapter in this volume.

17. According to Polanyi, the 'great transformation' resulted from the contradictions of a market-based society. It encompassed major institutional bifurcations during the 1930s, oscillating between the totalitarian revolution of Nazism in Germany and the democratic revival of the New Deal in the USA.



Our analysis suggests that another, more ‘democracy-friendly’ strategy should be deployed to overcome this social and political deadlock: promoting initiatives involving workers and union representatives to embed ecology in the production process at the workplace level, where an absolute decoupling between production and emissions has to be achieved. We also show how local anchoring is crucial when tackling an industry’s climate impact. This local anchoring appears to be the right level for raising awareness among workers and communities. In this process, as Pochet (2022) concludes, the ‘model of exchange [based on] providing the consumer with ever cheaper products from ever further away ... has become outdated’. A circular-economy approach paves the way for revamping the European Single Market towards the reshoring of local industrial activities in order to address socio-environmental dumping and to secure supply chains following lessons from the current ‘polycrisis’.

We have proposed various measures that unions might take up in response to the polycrisis, but how can the European Union also help to encourage transformative ideas from citizens and workers? First, the European social *acquis* should be expanded. The directive of 2002 on workers’ information and consultation (in firms of more than 50 employees and establishments of more than 20 employees) can be updated to include environmental issues. But we also advocate the introduction of new European instruments in the area of collective bargaining in order to provide European unions with tools to participate in decision-making on the future of firms and the world of work. In particular, public subsidies to companies could be made conditional on workers’ involvement in the organisation of decarbonised production, in contrast to the current Just Transition Fund, within the framework of which this is merely voluntary. This involvement could be institutionalised on the basis of a socio-ecological dialogue at workplace, local or industry levels.

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## **Chapter 11**

# **Against authoritarianism: participation, solidarity and (direct) democracy in the world of work**

Reingard Zimmer

## **Introduction**

As in other parts of the world, right-wing populist and authoritarian currents and corresponding opinion-making have been on the rise in Europe (Berthold 2017: 3ff; Decker and Lewandowsky 2017; Zick and Küpper 2021). Studies have identified increasing experiences of powerlessness and insecurity as possible causes of openness to authoritarian and right-wing extremist movements (Betzelt and Bode 2018: 9; Betzelt and Bode 2017). The question therefore arises of whether more political participation and direct democracy, together with experiences of solidarity at the workplace and inside trade unions could contribute to preventing authoritarianism and right-wing populism. These questions are analysed in what follows, based upon examples from Germany.

## **1. Rise of right-wing populist and authoritarian views**

In Europe, as in other parts of the world, right-wing populist and authoritarian currents are gaining strength, along with the corresponding opinion-mongering (Berthold 2017: 3ff; Zick and Küpper 2021). In Germany, for example, studies have identified increasing experiences of powerlessness and insecurity as possible causes of disenchantment with politics and openness to authoritarian and right-wing extremist movements (Betzelt and Bode 2018: 9 ff; Betzelt and Bode 2017; similarly see: Sauer and Detje 2019: 162 f). According to the Leipzig Authoritarianism Study 2020, only around a quarter of the population have the impression that they can influence political decisions (Decker et al. 2020: 27 (69)). Very similar are the results of the Friedrich-Ebert-Stiftung's (FES) 2020/21 Mitte Study, according to which more than a quarter of respondents (28.2 per cent) have a feeling of political powerlessness (Küpper et al. 2021: 43 (49)). In addition, a study by the Hans-Böckler-Stiftung found that a high level of disorientation – that is, 'the powerless feeling of being attached to social processes as a citizen and no longer being able to keep up' – goes hand in hand with a high openness to anti-democratic attitudes (Hövermann, Kohlrausch and Voss 2021: 9). The feeling of powerlessness and fear of the future is reinforced by changes in the world of work in the form of splits and relocations of companies, associated competition for locations, as well as rationalisation processes and cost-cutting programmes (Sauer and Detje 2019: 162). Some authors therefore describe the loss of the legitimising functions of commitment and performance in the working world as explanatory of right-wing populist attitudes (Menz and Nies 2019: 178). The experience of being exposed to competition at the workplace without protection leads to some people calling into question the legitimacy

of the state (Azmanova 2020: 44 ff), and people becoming more susceptible to populist propaganda (Gün and Hopmann 2020: 153). Based upon the destabilisation of the socioeconomic environment despite economic growth, populists are able to mobilise support by discrediting the establishment in the sense that the ruling elite rakes in the profits of growing prosperity, while leaving society in ruins (Azmanova 2020: 68 f).

As has been known for years, trade union membership alone is not a shield against susceptibility to authoritarianism and right-wing extremism (see: Fichter et al. 2005; Leonardi and Carrieri 2020: 279 ff). Rather, the entire breadth of society is reflected among trade union members, as the Authoritarianism Study 2020 once again points out (Decker et al. 2020: 58). Although legal protection against discrimination, for example, also fosters democratic inclusion (Mangold 2022: 15), this is not perceived as a value by insecure citizens who feel threatened by social relegation. It is therefore not a minor issue whether increased elements of participation and experiences of solidarity and direct democracy at the workplace and in trade unions can help to prevent authoritarianism and right-wing populism. Such possibilities are presented here.

## **2. Democracy in society and democracy at work**

How work is organised in a society has a major impact on the state of democracy, not least because ‘the people’, the stridently invoked ‘sovereign’, often barely have time to exercise their democratic rights. Most citizens have to work hard to earn a living. As a rule, they go to paid – and sometimes unpaid – work for many hours every day and are therefore able to participate in democratic decision-making only to a limited extent (Honneth 2021). Politics is therefore not infrequently experienced as alien and even threatening; it is at best distant from people’s lives. Democracy can also be practised and experienced at the workplace, however. Social philosophers therefore hold that gainful employment and democracy have to be considered together. In the tradition of Hegel’s philosophy of law, the social philosopher Axel Honneth developed the theory of the ‘working sovereign’. A human being’s social status is defined through work, but free and not imposed work (Honneth 2021; Honneth 2023). Good, fair and transparent working conditions are thus needed.

The contradiction between the claim that all people are equal and have equal democratic rights and the existence of inequality and exploitative relations in the world of work illustrates that democratic and social rights must be thought of together. To a large extent, the assertion of social rights initially took place and still takes place in the context of gainful employment, as that provides the ‘power tools’ enabling people to assert their rights (Kohlrausch 2022: 46 f). Industrial citizenship rights thus derive from gainful employment and can be described as the specific rights of the working sovereign (Honneth 2021; Honneth 2023). In Germany, such rights are guaranteed, among other things, by employees’ direct codetermination rights and by their representative bodies, works councils and trade unions. This story of codetermination and the first steps of workplace democracy already started in the Weimar Republic, when the first Works Council Act was passed in 1920 (for further information, see: Däubler and Kittner 2020: 143 ff). As studies indicate, codetermination has the potential to strengthen workers’

political participation in civil society (Budd and Lamare 2021; Jirjahn and Thu-Le 2022: 4; O'Neill and White 2018: 258). Those who are subordinate at the workplace tend to remain subordinate in national politics.

The importance of democratic participation for employees in the workplace is highlighted by the fact that the voter turnout for the most recent works council elections 2022 in Germany, at 72 per cent, was significantly higher than that for the last state elections in North Rhine-Westphalia in the same year, at 55.5 per cent.<sup>1</sup> Formal representation through works councils or mere membership of a trade union, however, do not automatically lead to experiences of countervailing power and the possibility of exerting influence on what happens in the workplace. What is really needed is the experience of having concrete options of being able to influence what is happening in the workplace, of direct democracy. Direct democracy in this sense means that relevant decisions are taken by the people affected (Bundeszentrale für Politische Bildung 2022).

In addition, constant reminders must be given of democratic social achievements and successes so that they are not taken for granted, cultivating an understanding that participation in the social constitution of society cannot be dispensed with (Berger, Jäger and Teichmann 2022: 32). Because globalisation and digitalisation have narrowed workers' possibilities of asserting their rights against corporate power in many areas, industrial citizenship rights have to be thought of in European or international terms (Kohlrausch 2022: 47). Based on examples from and with the legal background of Germany, the present work thus examines which elements of direct democracy can be strengthened in companies and inside trade unions in order to reduce people's susceptibility to authoritarian tendencies.

## 2.1 Works councils and elements of direct democracy at the workplace

In the German system, works councils play a central role as workforce representatives. Works councils are elected by the workforce and receive a four-year mandate (Section 13 ff. Works Constitutions Act, BetrVG). Decisions on company policy are thus made by elected representatives, which is a characteristic of representative (or indirect) democracy.<sup>2</sup> If a works council fails to operate in the employees' interests they have a number of options for taking remedial action. First, such a works council will not be re-elected. In case of serious neglect of duties by the whole works council or by individual members, however, section 23 para 1 BetrVG can be invoked. In addition to the employer and the trade union at the company, the exclusion of a works council member or the dissolution of the entire body can be requested if a quarter or more of the employees are behind it. The quorum is calculated on the basis of the regular number of employees, whereby temporary employees are counted if they are entitled to vote (DKW-Bachner/Deinert, §23 BetrVG, marginal no. 16; MünchHdbArbR-Krois §297

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1. See: <https://www.it.nrw/nrw-landtagswahl-2022-ruecklaeufige-wahlbeteiligung-allen-altersgruppen-109417> (accessed 10 December 2022).

2. Cf. [https://www.bundestag.de/services/glossar/glossar/D/direkte\\_demokratie-247316](https://www.bundestag.de/services/glossar/glossar/D/direkte_demokratie-247316) (accessed 14 December 2022).

Amtsenthaltung und Gesetzesverstöße des AG, marginal no. 16; Fitting, §23 BetrVG, marginal no. 9; GK-Oetker, §23 BetrVG, marginal no. 81). On one hand, the norm means that employees do not have to wait for the full term of office to obtain redress from the works council (or individual members) in the case of gross violations of legal duties<sup>3</sup> by individual works council members or by the whole body, and thus represents an element of direct democracy. As practice shows, however, the norm is hardly ever used by workers, but rather by employers to get rid of unpopular works councils, as cases repeatedly end up in court in which the employer or executives demand that employees sign such a motion (for example, LAG Hessen 19.09.13 – 9 TaBV 225/12; ArbG Wiesbaden 22.08.12 – 11 BV 11/11). Section 23 para 1 BetrVG is therefore a double-edged sword in this respect.

The traditional ways of maintaining contact with the workforce after elections, such as holding office hours (section 29 BetrVG) or one works meeting per calendar quarter (sections 42 ff. BetrVG), do not automatically involve the workforce in the work of the works council. That is apart from the fact that very few works council bodies actually hold one works meeting per quarter. These instruments can be made to be more interactive, however. Newer ideas such as Worldcafe or Open Space can also be used at smaller departmental meetings not only to inform workers, but to involve them in working out solutions. The works council has the possibility under section 80 para 2 sentence 4 BetrVG to get the employer to make available employees with special expertise in a particular area, although this only results in interaction with individual members of the workforce.

With the introduction of the possibility to transfer works council tasks to (additional) working groups, in accordance with section 28a BetrVG, it is possible in companies with more than 100 employees to involve staff members who are not works council members in substantive work. However, there may be a conflict with the works council's codetermination rights if, for example, the appointed working group is active in areas that are subject to mandatory codetermination under section 87 para 1 BetrVG. In addition, the group has a high degree of autonomy (DKW-Wedde, §28a BetrVG, marginal no. 4). There is a danger of the works council's rights being undermined by a working group that is not legitimised by the workforce, which is why some of the literature on the introduction of the standard in 2001 was rather critical (Däubler 2001: 289; Hanau 2001: 73; Picker 2001: 269). There is indeed a danger that members of the working group will be exposed to greater pressure from the employer, especially as they do not enjoy special protection against dismissal under section 78 BetrVG and section 15 of the Unfair Dismissal Act (KSchG), like members of the works council. Such a working group only becomes active after the works council has concluded a framework agreement with the employer on the exact structure of the group's work and its authorisations, however. This can be taken into account when drafting the framework agreement on such working groups. Provided that the rights of the group are limited to the preparation of a proposal, the rights of the works council and its power to conclude a works council agreement can be secured and the protection of the

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3. For the legal requirements, see: DKW-Bachner/Deinert, § 23 BetrVG marginal no. 4.



employees participating in the working group can also be guaranteed (DKW-Wedde, §28a BetrVG, marginal no. 8, 10, 21ff). Such working groups are particularly suitable for preliminary work in labour-intensive areas, such as Industry 4.0 (Engels and Trebinger 2018: 122). If they are set up with a clearly formulated and limited mandate, such groups offer a good opportunity to involve interested parts of the workforce in the works council's activities. In the meantime, the advantages of this possibility are therefore emphasised more strongly in the legal literature (DKW-Wedde, §28a BetrVG, marginal no. 4; Engels and Trebinger 2018: 120ff; Reichold 2001: 862; Tüttenberg, already 2006), even if the use of such working groups has not yet become particularly widespread in practice.

Beyond the possibilities provided by the Works Constitution Law, works councils have developed other forms of participation, for example, organising employee surveys to develop solutions tailored to the needs of the workforce. Another option is not only to present a solution to the workforce before concluding a works council agreement, but also to put it to a vote. Works council work that is interlinked with the workforce in this way can take away the workers' feeling that 'there is nothing we can do' and, if necessary in combination with specifically anti-racism work, may have a preventive effect against authoritarianism and right-wing populism.

## 2.2 Elements of direct democracy in trade union work

Although the structure of trade union work is based on representative democracy, there are various elements of direct democracy. For example, collective bargaining demands are largely worked out in collective bargaining committees, which are mainly made up of volunteers. While the executive board does set guidelines, the main bargaining demands are developed by the bargaining committee. Central issues are thus defined by the members or their delegates, who usually have to agree before the collective agreement is signed (Zimmer 2022: 56). Consequently, there are elements of both direct and representative democracy in collective bargaining practice and the same applies to strike practice. Even if the executive board usually gives the go-ahead for a strike, a ballot is usually necessary in which a certain percentage of the members must vote in favour of the strike, and another ballot must usually be held for the strike to be called off or the result of the negotiations to be accepted.

An important element for the work of trade unions (in Germany) inside a company are unionised 'persons of trust', who are elected as informal representatives of the trade union at the workplace. They not only shape the union's internal organisational work and position-finding, but also influence the work of the works council (Faupel and Köhler 2022: 248). Employees are even more involved when informal union representatives try out new, agile ways and forms of participation (Faupel and Köhler 2022: 250).

Basic elements of participation are thus in place and have been further developed in participation-oriented trade union work (Zimmer 2022: 56). Initial approaches to such work were documented already in the early 2000s in Germany, as well as in other

countries. Authors were already calling for intra-union democracy and telling unions to involve their members more closely. An orientation towards action and active conflict management was classified as indispensable for union identification and members' politicisation (Hälker and Vellay 2006: 250). Based on Anglophone organising concepts (cf. Crosby 2009), a participation-oriented trade union policy was conceived and partly also practiced over the years. The motto of such trade union work is to 'turn those affected into actors themselves' (Wetzel 2013: 27; similarly: Dribbusch 2013: 93, as well as Schröder 2010: 19ff), which is no longer practised only in small fringe projects (cf. IGM Bezirk-BW 2018). Such participatory trade union work signifies a departure from traditional proxy politics (see: Weißenbrunner and Eckerts 2020: 222).

It is also clear that strikes in particular can have a great mobilising effect if workers are 'taken along' (Schmalstieg 2013: 8, 13 ff; Zabel et al 2022: 203 ff.). Surveys have been used by various trade unions to find out about members' concerns or to set strike targets and collective bargaining demands (see, for example: Schmalstieg 2013: 26f). Participation-oriented trade union work thus offers its members an opportunity to experience that they can make a difference and that they are not powerless in the face of negative political developments in the world of work.

### **3. Inclusive and exclusive solidarity**

In addition to participation and direct democracy, the experience of solidarity can also have an important function in arming workers against authoritarianism and right-wing populism. Solidarity may be divided into inclusive and exclusive solidarity. Inclusive solidarity refers to a situation in which the group concerned has common interests, but a particular concern does not affect everyone equally and the group is not homogeneous (Zeuner 2004: 325 f; Zimmer 2022: 45). In some cases, it is emphasised that inclusive solidarity is practised with others who do not belong to one's own collective (Bude 2019: 144; Zeuner 2004: 332), for example in the case of international solidarity (Sangiovanni 2013: 213). Different interests are thus included. Exclusive solidarity, on the other hand, is practised for the benefit of a particular group (Bude 2019: 144), potentially at the expense of others (Lessenich et al. 2020: 322; Zimmer 2022: 46). The group concerned tends to have homogeneous interests and emphasises the commonalities that exist with the subject of solidarity (Zeuner 2004: 325 f). As inclusive solidarity is not just for the benefit of one specific group, but includes different interests, it is more likely to have an emancipatory effect than exclusive solidarity, which explicitly excludes others from the relevant benefits.

#### **3.1 Inclusive and exclusive solidarity in the work of works councils**

As works councils represent the whole workforce, which comprises a number of different groups of workers, elements of inclusive solidarity are an inherent part of their work (Zimmer 2022: 57). On the other hand, those who do not belong to the workforce are not represented. Besides that, it is known that work councils tend to represent primarily the core workforce, which can be characterised as mainly male and

white (Däubler 2019: 1601 ff). Minorities or atypical or precarious workers are rarely represented in committees. In addition, works councils have no legal means to solve the problems of groups such as fixed-term workers or temporary agency workers (Däubler 2019: 1602 ff). Therefore, elements of exclusive solidarity are also structurally present in the work of works councils, depending on the composition of the various bodies and the nature of their activities (Zimmer 2022: 57). There are, however, examples of works councils including provisions for informalised employees, such as agency workers, in the social plan in the event of restructuring.

As European works councils (EWC) are composed of delegates not only of different companies, but also other European countries, they tend to be fairly heterogenous. If solidarity is practised, for example, when German works councils refuse overtime in case of a strike at a similar plant in another EU Member State in response to information passed on by the EWC,<sup>4</sup> this can be categorised as inclusive solidarity. Other examples of such inclusive solidarity include ‘sharing the pain’, which involves the EWC attempting to counteract restructuring via competition of locations and the closure of particular plants by reducing working time at all plants.<sup>5</sup> Works council members can therefore foster inclusive solidarity especially as delegates to the EWC, in contact with employee representatives from other countries.<sup>6</sup> Nevertheless, it is a particular challenge of its own to communicate the work of the EWC to the workforce effectively.

### 3.2 Inclusive and exclusive solidarity in the work of trade unions

Solidarity has always been a core value for trade unions (Hoffmann 2004: 34 ff), as Stephan Born, one of the co-founders of the General German Workers’ Brotherhood, proclaimed as early as 1848. The motto ‘Free competition! Every man for himself!’ was contrasted with the principle of ‘solidarity and fraternity’ or ‘all for one and one for all’ (Born in the magazine *Die Verbrüderung*). Solidarity continues to be an important factor in trade unions’ self-understanding,<sup>7</sup> based on the conviction that only together can anything be achieved (Zimmer 2022: 48). In establishing inclusive solidarity among a diverse membership, trade unions are to a certain extent naturally exclusive organisations (Ludwig 2020: 43), which represent primarily the interests of their members.<sup>8</sup> Trade unions act on behalf of their members in order to protect their interests and trade union activities are therefore defined by the members (Zimmer 2016a: 18).

4. Overtime is among the issues subject to mandatory codetermination (Art. 87.1 no. 3 BetrVG) and the employer therefore is not allowed to order overtime without works council consent.
5. A fairly prominent example of this strategy was elaborated by the EWC of General Motors; for further information, see: Haipeter 2006, 617 ff.
6. However, there are both positive and negative examples of the work of EWCs; cf. Zimmer 2013b, in Alewell (ed.), 114ff; and Zimmer 2013a, *Europäische Zeitschrift für Arbeitsrecht* 4/2013, 459ff with further references.
7. See, for example, statements on the webpages of the following trade unions: IG-Metall: <https://www.igmetall-nrw.de/mitglied-werden/solidaritaet-ist-kein-prinzip-von-gestern/?L=0>; Ver.di: <https://www.verdi.de/ueber-uns/idee-tradition> and DGB: <https://www.dgb.de/themen/++co++b0c8af80-c5cc-11ea-ad59-001a4a160123> (all accessed 11 January 2023). Däubler 2001, 285 (289); Hanau 2001, 65 (73); Picker 2001, 259 (269).
8. On the different forms of trade union presence and the distinction between sectoral industrial trade unions and so-called ‘occupational trade unions’, see the following. For ‘professional unions’, see: Zimmer 2022, 48.

Several examples might be given of how solidarity is practised among trade union members. The economically weakest members, for example, are supported by having to pay a lower membership fee (in depth, see: Zimmer 2022: 50 f). Solidarity is also practised within the process of collective bargaining, when for example lower wage groups receive a higher pay rise than the members of other groups.<sup>9</sup> The clearest examples of solidarity come, of course, from strike activities, for example, when in industrial trade unions workers in specific positions are chosen to strike not only on behalf of themselves, but also on behalf of other workers in the same union in the respective bargaining district who belong to a different (and weaker) status group (Zimmer 2022: 52). Even stronger forms of inclusive solidarity are practiced in solidarity strikes. Solidarity strikes are practised in solidarity with the interests of others, often by workers in the same sector, but from another section or from another company, or from the same trade union, but in another sector. Even members of other trade unions, partly even in another country may become involved (Zimmer 2022: 52). A classic example of inclusive solidarity is provided by the International Transport Workers Federation (ITF), which has used industrial action in the form of boycotts by ITF-affiliated unions to support pay disputes for many years in countries where solidarity strikes are legal (in-depth: Zimmer 2022: 53). The right to strike is guaranteed all over the European Union, either in Member State Constitutions or by ordinary statute law or by case law. Solidarity strikes, however, are not considered lawful in all Member States.<sup>10</sup>

An important component of trade union solidarity is the international dimension. International solidarity is exercised beyond national borders (see in depth: Lohmeyer et al. 2018: 400ff; Zimmer 2020: 167 ff, in each case with corroboration), as illustrated by the example of the Bangladesh Accord after the collapse of the Rana Plaza factory (Smith 2014: 56; Zimmer 2016b). Further examples are the struggles for better working conditions all over the world by concluding international framework agreements with transnational companies to secure social standards, sometimes in cooperation with the EWC. Such struggles are characterised by individual and collective experiences, but also by social discourses and this form of solidarity across borders can be categorised as inclusive solidarity. Nevertheless, this experience of international solidarity is often accessible to only part of the membership and could be strengthened.

It can be concluded that trade unions may practise inclusive and exclusive solidarity at the same time (Zimmer 2022: 48). In summary, union work can provide members with experiences of solidarity that are all the stronger the more inclusive and international solidarity is practiced.

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9. Further examples are to be found in Wirth 2021, 1 f and Zimmer 2022, 51.

10. For further information see: Zimmer 2022, 53 ff.

## 4. Conclusion

Through participation-oriented work, both trade unions and employee representative bodies such as works councils or European works councils can give workers the experience of direct democracy and (inclusive forms of) solidarity. There are already (legal) tools that enable such an approach, but stronger codetermination rights would strengthen the exercise of democracy at the workplace in Germany, as well as stronger rights for European works councils. In Germany, a sensible demand is therefore the extension of works council codetermination to economic matters as well. History shows that only by building countervailing power from within workplaces can success be achieved (Gün and Hopmann 2020: 151). Being able to take action oneself, to experience direct democracy in the workplace and inside trade unions, as well as the experience of solidarity, may therefore help to prevent authoritarianism and right-wing populism. There is much to do.

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## **Transformative ideas – ensuring a just share of progress for all**

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