

Social Europe

politics, economy and employment & labour

Politicizing The EU's New Economic Governance Regime

by Roland Erne on 20th January 2016



The creation of the new European governance regime requires an explanation. In contrast to the European Trade Union Confederation (ETUC), the EU's business and political leaders rejected until very recently the need for any coordination in the field of industrial relations at EU level; arguably because self-regulating market forces would automatically lead to the desired downward adjustment in wages and workers' rights across Europe.

In November 2011, however, the European Parliament and the Council adopted six new EU laws on European economic governance, the so-called "Six-Pack". Other laws followed suit.

This new EU governance regime empowers Commission and Council to issue binding economic policy prescriptions to national parliament and to sanction member states in case of noncompliance.

In this video podcast, I explain why the European labour movement largely failed to politicize the EU's new regime of economic governance. This question is important, and not only for those interested in the future of social justice and democracy in Europe. Organized labour's weak response to the centralization of socioeconomic governance also puts my earlier explanations for the occurrence of transnational trade union action to a critical test. In *European Unions. Labour's Quest for a Transnational Democracy*, I argued that transnational union action is not triggered by the making of transnational markets per se, but by the increasing supranational reorganization of firm and state structures. But if it is

easier to politicize decisions of the Commission than the abstract market forces behind economic Europeanization and globalization processes, why has it been so difficult for labour to politicize the new EU governance regime in the transnational public sphere?

My talk is divided into two parts. First, I outline the nature and scope of the EU's new economic governance regime and discuss whether it provides crystallization points for contentious transnational action. Subsequently, I assess European trade unions' activities at different stages of the European economic governance regime-making process; namely the agenda setting stage, the policy adaptation stage, and the policy implementation stage. This approach enables us to assess the role of diverse explanatory factors for the weak politicization of the new European governance regime.

I try to show that the EU's new governance regime does not follow the classical model of a federal state, but rather the governance structures of multinational corporations, which control their notionally autonomous local subsidiaries using whipsawing tactics and coercive comparisons based on supranational key performance indicators. Then I conclude that organized labour's difficulties in effectively politicizing European economic governance are best explained by the ability of the new supranational EU regime to nationalize social conflicts.

Cutting-edge thinking straight to your inbox

"Social Europe publishes thought-provoking articles on the big political and economic issues of our time analysed from a European viewpoint. Indispensable reading!"

Polly Toynbee

Columnist for *The Guardian*

SIGN UP

Powered by ConvertKit

My talk is based on a study of published and unpublished documents by national and European trade union organizations between 2008 and 2014. The study on which this video podcast is based was published in a special issue of *Labor History* entitled "Politicizing the Transnational" which was part of his contribution to the Transnational Labour Project at the Centre for Advanced Study in Oslo.