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Europe

For a social Europe

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There are more than 18 million unemployed in the European Union, according to official statistics. The average unemployment rate is 11% (13% for women and 9% for men. An estimated 50 million people live in poverty.

This terrible situation is the balance sheet of more than a decade of neo-liberal promises. The common market has not created the jobs that were promised, and it is difficult to see why the single currency would do any better. When charted, the rise of the unemployment rate looks like a staircase rising sharply with no place to catch one's breath.

The only exception is the second half of the 1980s, corresponding to a recovery whose gains were quickly erased; six million jobs were destroyed between 1991 and 1994. What's more, official figures have to be adjusted upwards to account for "discouraged" workers and those seeking full-time work but forced to take part-time jobs.

The worst thing is that those countries that had best managed to protect themselves from unemployment are now "catching up" to the European average. "Bad" capitalism is elbowing out the "better" variants. The most significant example is Germany, where there are more than 4.6 million unemployed today. Before re-unification, the unemployment rate in West Germany was 4-5%. Today it stands at 9% in former West Germany and 15% in former East Germany. The leap in unemployment is particularly marked in the Scandinavian countries that recently joined the European Union: in Finland, the unemployment rate jumped from 3.4% in 1990 to 18.4% in 1994; in Sweden it went from 1.8% to 9.8% during the same period.

Flexibility

The rise in unemployment is intertwined with the generalisation of job insecurity and growing flexibility that have led to a substantial gutting of the right to work. Unemployment exerts tremendous pressure on the status of workers, whether employed or not.

In all countries individual forms of employment are on the rise: independent work in Britain, homework and the informal sector. On the most insecure end of the scale, work in the informal sector often involves immigrant workers with neither residence or work permits (particularly in Italy and Spain). Labour legislation has been overhauled, making all manner of "atypical" work contracts the norm, especially temporary work contracts. As a result, temporary work is on the rise throughout the EU. Spain holds the record; in 1994, one in three jobs was temporary. This type of employment now accounts for a large majority of new jobs created in all EU countries. This is not a transitory phenomenon, but a process aimed at making the entire labour market just as flexible as these new contracts.

Most European countries have implemented employment policies aimed at preserving or creating specific jobs for "targeted" sectors of the population, such as unskilled young people and the long-term unemployed. These "assisted" job categories put pressure on standard employment categories, and create a second-class status for young workers.

Labour legislation has been gradually reduced to an empty shell. Limits on workforce reduction have been eased, using the absurd argument that this will help companies hire workers. As the flexible work week has recently become the main demand of many employers, the legal definition of the length of the work week has been watered down. Now, hours are increasingly counted on a yearly basis and part-time work has been deregulated. Restructuring has

led to a reduction of average company size and a generalisation of contracting out. A growing proportion of workers work in small companies, where it is more difficult for them to ensure their rights are upheld. Labour laws make it difficult for workers in small companies to get the appropriate representation.

Growing insecurity also affects wages, through the erosion of minimum wage and social standards, and the elimination of mechanisms such as salary indexing. The two-fold attack on the public sector and social security accelerate the overall decline in living conditions. Unemployment insurance programmes are themselves being eroded, with cuts being made to the duration and amount of benefits. All these factors taken together create discrimination on a number of levels.

Women and young people first

Youth unemployment adds disproportionately to the average rate of unemployment; one in four young people in the EU is currently unemployed.

Women account for 40% of the European workforce, but 48% of the unemployed. The rate of employment among women is rising faster – or, at least, dropping less quickly – than that of men. The rate of workforce participation for women aged 25-49 rose from 39% in 1970 to 69% in 1993. This rising tendency continues, but it is now characterised by an increase in part-time work, and a concentration of women workers in a few areas of the service sector and low-wage positions.

One in three women in the EU holds a part-time job, but this figure is 67% in Holland, 44% in Britain and 36% in Denmark. This increase in part-time employment is accompanied by a heightened segregation of women, who are forced to take part-time work, and kept on the lowest rungs of the hierarchy.

The classic argument that part-time work allows for greater compatibility between a woman's professional and family life, does not stand up to an examination of what is actually occurring. The work day and work week constantly change, and women are expected to work irregular hours including weekends. It is rather difficult to argue that this is the result of a woman's "free choice".

More to come

Armed with a neo-liberal analysis of the crisis, the EU's institutions are in favour of going even further in the same direction. "As far as the length and organisation of work are concerned, there is above all a need to expand the flexibility of work time. A mandatory, generalised and massive reduction of the work week would not be the appropriate solution." Neo-liberal thinkers promote the idea of growth "rich in job creation" achieved by the expansion of "variable" (Jacques Delors) and "differentiated" (French employers) work. They counterpoise this to any "top-down restrictive measures aimed at introducing a shorter work week through legislation." The goal, therefore, is to further increase job insecurity, especially part-time work for women.

Wages have to rise more slowly than productivity in order to re-establish profit levels. Social spending has to be reduced in order to balance state budgets. As for the unemployed, there is a need to "eliminate anything that might prevent a welfare recipient from accepting a job, and monitor more closely the recipient's desire and ability to take a job."

All signs point in this direction, especially the "stability pact" recently signed by EU members. The Europe of the Maastricht Treaty is by its very nature an anti-social Europe. And so, to propose "social" amendments to Maastricht is therefore wrongheaded and ignores the basic logic behind the treaty. Even defending basic goals such as a minimum right to work, quality social programmes and social housing, involves head-on confrontation with the current designs of the bourgeoisie.

The working class movement needs a Europe-wide plan for struggle, which responds in a co-ordinated manner to policies which are themselves highly co-ordinated on a Europe-wide level. To the criteria laid down by the employers, workers must spell out their own - beginning with the struggle against unemployment.

35 hours (or less)!

The key component of such a struggle is the massive and co-ordinated reduction of the work week on a European level. An immediate decrease of about 10% of the work week could create an equivalent proportion of jobs. But only if it is accompanied by clauses like those proposed by social movements in all the countries: no loss of salary, no intensification of work, no generalisation of irregular workschedules. This in turn requires that workers oversee the organisation of the work process and ensure that new workers are indeed hired.

A generalised reduction of the work week is clearly the main answer to the rise in unemployment, for a very simple reason: it is the only rational way to use the gains in productivity and to share them equitably between working people, within and between countries.

It is the best way to counteract the different forms of exclusion and discrimination which are running rampant. It provides for a co-operative solution to the unemployment problem in Europe, in opposition to the neo-liberal approach which essentially amounts to exporting unemployment to neighbouring countries.

This approach in no way contradicts the goal of economic efficiency. If carried out in a co-ordinated fashion on a pan-European level, the effects on the relative competitiveness of EU partners would be neutralised - especially since EU members largely trade amongst themselves.

The idea of co-ordinated, restrictive legislation - a European framework law for a 35-hour work week - could be the starting point for a co-ordinated, generalised reduction to a 30-hour work week. The right of women to work - against the marginalising reduction of the work week represented by mandatory part-time jobs - must be a cornerstone of this struggle. Any campaign must fight the increase in part-time work.

An economic recovery package

The reduction of the work week has to be part of an economic recovery package aimed at fulfilling social needs. Urban renewal, for example, would involve programmes that give a boost to employment. It must be a non-productivist recovery that seeks to meet elementary needs, to improve living conditions, and not to boost private consumption per se nor to build new highways.

Jobs created in the public sector: health and education, for example, should be decentralised, principally to the municipal and local levels. These jobs, however, should not be part of a subsidised second-class sector where

workers do not enjoy the same rights and benefits as elsewhere.

Deregulation must be rolled back. The rights of working people should be firmly entrenched in a European system of minimum wage standards, guaranteed income and sectoral collective agreements.

The same harmonisation should be applied to social security - for example, through the creation of a European fund derived from the income of companies, aimed at levelling social programmes upward throughout the EU.

In the same way, public sector services should be harmonised. This applies to the postal system, telecommunications, transport, and so forth - all just as important as a single currency.

Where would the money come from?

All these projects raise the question of financing, although the term isn't really appropriate since we are dealing in part with a reallocation of already existing funds, and catch-up measures aimed at reducing inequalities which successive governments allowed to accumulate over the last decade. While the situation varies from country to country, financing must come from four main sources.

- Funds for unemployment insurance can be reallocated to ensure hiring takes place.
- New wealth would be created as a result of the resulting economic recovery and the jobs added to the public sector.
- Financial earnings and super-profits would be directly taxed. These funds could be returned to companies that hire, and would also serve to put pressure on companies and redistribute resources between sectors and regions.
- A special tax would be levied on the assets of wealthy families in order to mop up quickly public debts accumulated as a result of the drop in taxes on capital gains.

Such a programme is obviously not compatible with the free movement of capital. We cannot let employers decide the future of working people by exerting downward pressure on their working and living conditions. The freedom of capital movement - like all genuine freedoms - must be regulated so that it no longer means the right to impoverish people and to create social insecurity.

This regulation can be achieved by placing a tax on financial transactions. Speculators make their profits by playing on minute differences in interest rates, and so a small tax would be highly dissuasive. Of course, such regulation can only be effective if it is applied and co-ordinated throughout the EU. For this reason, individual countries have to prepare to implement very strict measures of control and retribution.

Then there is the question of the single currency. It should go without saying that such a currency is a tool, created as a means to specific ends. Devaluation or an exit from the European Monetary System are not goals in themselves, but rather steps to be taken if a country feels they are essential for confronting competition on a level playing field. The establishment of a single currency is not an end in itself, but rather the finishing touch to a much broader endeavour.