



# Building a social Europe

## The trade union case for EU reform

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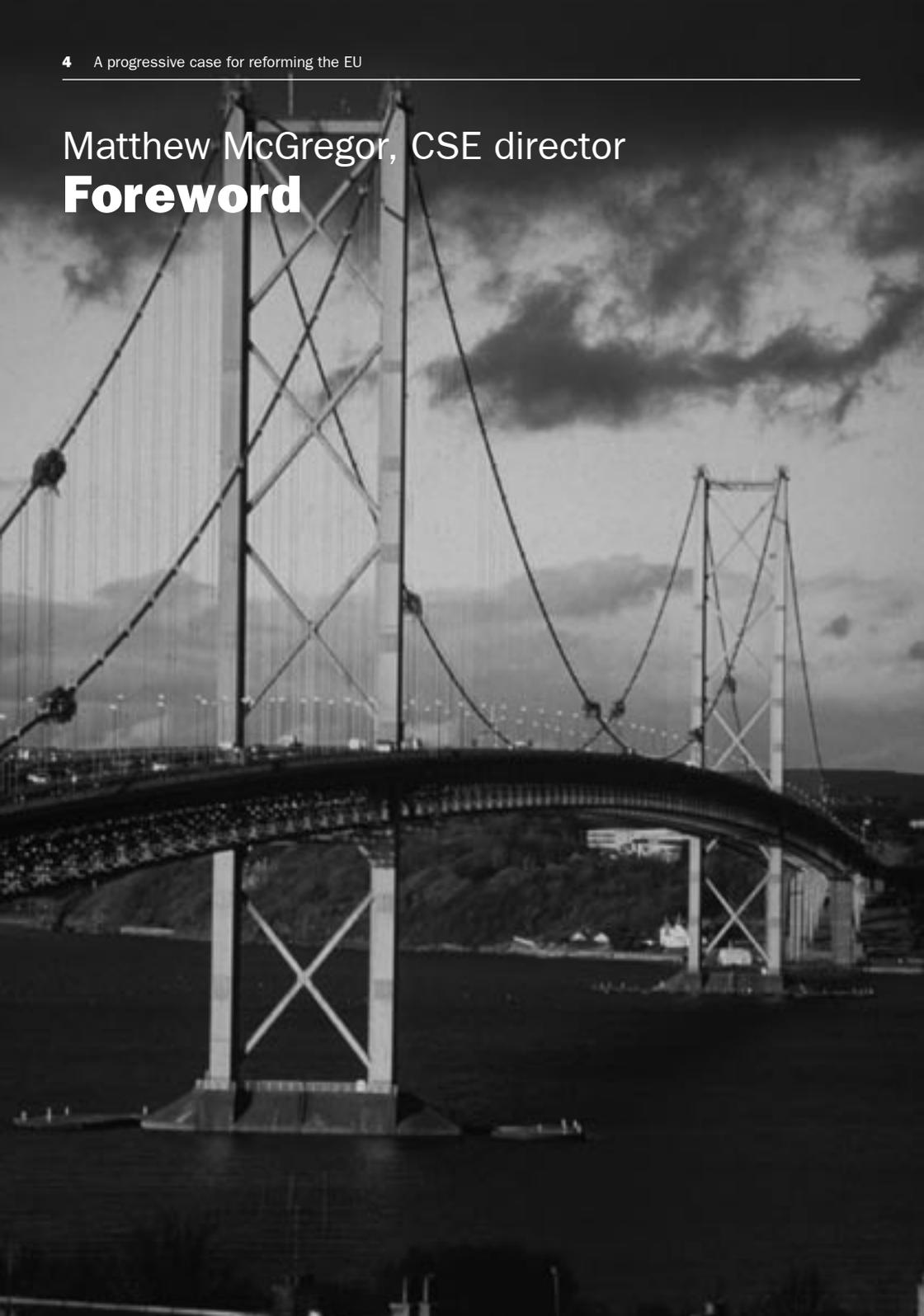
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# Matthew McGregor, CSE director

# **Foreword**





With the excellent referendum results in France and the Netherlands behind us, there is no better time for the labour movement to make its views on the EU clear. While the debate on the Constitution exposed some deep divisions within the left on the future of Europe, I think there is a consensus that more debate is needed. This pamphlet aims to contribute to that discussion.

The future direction of Europe is not set in stone. As Jack Straw said after the Dutch referendum, it is time for a 'period of reflection', to engage with the arguments and the issues, and to ensure that, as progressives, we know what we want from Europe. This pamphlet contains a range of views reflecting the on going and important nature of the debate about the future direction of Europe.

My view is that a new consensus is emerging, with the historic goal of "ever closer union" being jettisoned in favour of a looser, more flexible arrangement through which progressives can tackle neo-liberalism. But that is just one view. There hasn't been a better time for trade unionists to debate for opportunity for EU reform. I hope that this pamphlet will contribute to a positive and forward looking debate within the Trade Union movement about Britain's place in the EU.

# Ian Davidson MP

## **Introduction**



*Ian Davidson is the Labour MP for Glasgow South West and chair of the Centre for a Social Europe's Advisory Board*



When I spoke in Paris on the 27<sup>th</sup> of May, at the French Left's eve of poll rally, it was under the slogan "Un Non de Gauche, pour changer L'Europe". Speakers from across Europe, and from across the French democratic spectrum, argued against the creation of a European Superstate, against a Europe run for the benefit of big business and for cooperation and collaboration in favour of working people and their families. We agreed that defeating the Constitution was necessary but not sufficient, and that we had to promote debate about the alternatives to a free market, militarised, centralising Europe.

Now Ken Clark and Jose Barroso have both agreed that the Constitution is dead, killed off by the votes of the French and Dutch, (with two thirds of French Socialists, and over 60% of the Dutch left, voting no) and by the knowledge that majorities in those countries which had not yet voted, such as Britain and Denmark, and those where votes were not given to the people, such as Germany and Sweden, were overwhelmingly against. But while the Constitution has died without any of the dire consequences that were threatened coming to pass, the forces of "ever closer Union" have not gone away. Like water rolling down a slope, they continue to push and probe and seek opportunities to centralise power by stealth.

To resist is not sufficient, the left must now take the opportunity offered by the Government's "period of reflection" to argue for radical reform of the European Union and all its works. That is why this pamphlet is so welcome, coming from Trade Unions which have always been internationalist in their outlook and supportive of solidarity across borders. In these contributions we can see an analysis of the neo-liberal steamroller that the EU has become and how it is that so many in our Movement are caught in a time-warp; still thinking of the EU as being Jacques Delors annoying Mrs Thatcher, rather than recognising that the Services Directive is devised to privatise public services.

The left should rally behind Tony Blair in his call for the abolition of the CAP, support Gordon Brown in his proposal to renationalise Regional Aid and applaud Claire Short in her criticisms of the fraud and inefficiency of EU aid spending. Change needs to come. The battles over the Services Directive and the EU budget should be only the beginning. I hope this pamphlet helps stimulate debate on how EU reform should be fought for.

Dave Prentis

# Making Europe work for public services

*Dave Prentis is the General Secretary of UNISON, Britain's largest trade union. He is Vice President of the European federation of Public Service Unions (EPSU). He is a trustee of the Institute for Public Policy Research and of the Catalyst forum.*



The French and Dutch rejection of the European Constitution has put the European Social Model and public services back at the centre of the debate about the future of the European Union.

Over the past 5 years the heads of European governments and the European Commission have sought to move away from the ‘social dimension’ that was a key part of the EU’s agenda in late 1980s and early 1990s. Instead, under the pretext of the Lisbon Agenda, a series of policies designed to make the EU capable of competing in a new era of globalisation and international liberalisation, they have worked to roll back advances made in social legislation such as the Working Time Directive, and have promoted ever greater deregulation and flexibility in the labour market. Earlier this year French and Dutch voters sent a clear signal to their governments, but also to the EU as a whole, that their support for the European Union was conditional upon it having a strong social dimension.

Public services are central to any idea of a European Social Model. They are also central to the success of the Lisbon Agenda (although the European Commission seems to have forgotten that), because it is only well-funded public services that can deliver the life-long learning and investment in human potential that is crucial to the development of the kind of Knowledge Economy to which ‘Lisbon’ aspires. Yet the European Union does not even recognise the concept of ‘public services’, which is deemed too vague and imprecise to be meaningful by the European Commission. Instead the Commission talks about Services of General Economic Interest, Services of General Interest and recently even of Social Services of General Interest — terminology which is clearly more accessible for European citizens than ‘public services’! It gets worse however, because it took many years for the European Court of Justice to establish case law defining a Service of General Economic Interest and there is still no accepted definition of what a Service of General Interest is.

**“French and Dutch voters have sent a clear signal — our support for the EU is conditional on a strong social dimension”**

The neo-liberals in the European Commission have used this confusion to propose a piece of legislation that could see a major attack on public services across the EU. Eighteen months ago the European Commission proposed a new European directive to liberalise the services sector in the European Union. This directive,

originally proposed by Dutch Commissioner Frits Bolkestein, has unleashed a wave of criticism and protests across Europe, led by the trade union movement.

**"Through the Services directive, at one stroke the European Commission has opened the way to the liberalisation of healthcare provision"**

The directive seeks to liberalise the market in services in three ways, and all three are problematic. Firstly, the European Commission is treating all services — whether they are public or private — as the same. Health and social services are to be dealt with in exactly the same way as IT consultancy or private security firms. As far as the European Commission is concerned, as long as a service is paid for in some way then it is an economic transaction that should be subject to the rules of the European Union's Internal Market. In one stroke the European Commission has opened the way to the liberalisation and possible privatisation of healthcare provision in the UK, even though health is a responsibility for national governments not the EU.

Secondly, the Commission is proposing to get rid of a whole series of national regulations that it regards as barriers to trade. Although the directive would allow for regulation 'in the public interest', national governments will have to go through a lengthy process of justifying each regulation. This could even apply to collective agreements signed between trade unions and employers, even those that are not regulated by government and entered into voluntarily by both parties. This has caused particular concern in Scandinavia where issues such as the minimum wage, working hours and paid holidays are determined by collective bargaining rather than through employment legislation. This concern has been heightened by the recent case of a Latvian company that won a Swedish contract on the basis of employing staff under Latvian terms and conditions. The Swedish unions successfully challenged the contract on the ground that it broke a national collective agreement but the Latvian company is now seeking to overturn this decision through the European Court of Justice.

Thirdly, and most controversially, the Commission is proposing that where a service is provided on a 'temporary' or 'remote basis' — neither term is actually defined by the directive — the "country of origin principle will apply". What does this mean? Quite simply, all the rules and regulations applying to the provision of a

service, including large sections of employment law but also quality standards, public health and environmental protection, will depend upon the country in which the company has its headquarters (the country of origin), not the country in which the service is being provided (the country of destination). The responsibility for ensuring that the service is being provided properly will also lie with the authorities in the country of origin, not the country of destination.

A good example of what this could mean is a large construction site in Germany on which several different contractors from Germany, but also Britain, Portugal and Poland for example, are working. German, British, Portuguese and Polish health and safety legislation would all apply and the German health and safety inspectors could only control the activities of the German contractors. Private security firms in the UK, which are heavily regulated to ensure that they don't employ people with criminal records, fear that they will be undercut by firms from other countries who don't have such stringent controls. Similarly, in the UK we have national care standards for social services provision designed to protect the public. Would these still apply if an Italian company were to buy a chain of private care homes?

The real consequence of the country of origin principle will be a rush by companies to move their headquarters to those countries in Europe with the lowest regulatory standards and social dumping across Europe on a massive scale. UNISON, alongside trade unions in Britain and throughout Europe, has called for the directive to be withdrawn. Although the new European Commissioner responsible for it, Charlie McCreevy, has publicly admitted that the directive contains many flaws he has refused to withdraw it and has only committed himself to make changes after the European Parliament has given its opinion. Trade unions are working hard to secure major amendments to the directive during the parliamentary process. We want the exclusion of all public services and employment law (including collective agreements) from the law, and the scrapping of the country of origin principle. However, we fear that even with these changes the directive could still have unforeseen negative consequences. That is why UNISON wants the whole directive to be withdrawn now.

**"Even with major amendments, the Services Directive could remain a threat to public services"**



UNISON and the European Federation of Public Service Unions (EPSU) have been calling for a Framework Directive defining Public Services and exempting them from the requirements of the EU's Internal Market for some time now. However, it will take more than just an EU directive to defend public services across the EU. Trade unions representing public service workers already work closely together through EPSU, one of the largest European trade union federations but more needs to be done.

Last year UNISON signed a memorandum of understanding with Ver.di, the largest trade union in Germany that spans both the public and private service sectors. Although at an early stage, Europe's two largest trade unions are seeking to develop common responses to common challenges. UNISON is also developing its

relations with the public service federations of the French CGT. The Electricity, gas and water industries are already dominated by just a few mainly European multi-nationals. EDF in France owns London Electricity, RWE runs both Thames Water and Berlinerwasser.

**"The EU should introduce a framework directive defining and defending public services"**

It is simply common sense for UNISON, Ver.di and the CGT to work closely together when our members work for the same companies. However, subcontracting and privatisation increasingly means that UNISON members in health, local government and education increasingly also work for the same companies as workers in France and Germany. We have agreed to start sharing information on these private companies with Ver.di and the CGT on issues such as contracts with public bodies and comparative pay and conditions for example. We're still a long way from pan-European trade union mergers, but a new era of cross-border co-operation has certainly begun.

Strong, well funded public services must be at the heart of any European Social Model and the European Union cannot progress without a common accepted definition of them and their role in providing the sort of societies our members and the wider public want to live in.

Bob Crow

# The undemocratic heart of Europe

*Bob Crow is General Secretary of the RMT. He is also chair of Trade Unionists Against the EU Constitution*



The discredited proposals for an EU Constitution have exposed the anti-democratic instinct at the heart of the European Union.

Following the decisive rejection of the Constitution by the French and Dutch, it is widely accepted that this document is a charter for unbridled neo-liberalism, militarism and the curtailment of member states' national democratic rights.

However, this privatising and undemocratic impulse is not confined to the unloved, exhaustingly dull and unreadable Constitution. The drive for a single market, the introduction of the single currency and the unaccountable European Central Bank have all enforced policies onto member states that enjoy no real mandate. These 'one-size-doesn't-fit-all' policies include imposing public spending cuts, the deregulation of entire sectors and decisions over which industries deserve government assistance and which should be allowed to go to the wall.

RMT members working on Caledonian MacBrayne ferry services in Scotland recently witnessed this authoritarian bent when EU commissioners ordered the Scottish Executive to break up the publicly-run service and put the routes out to tender, or risk breaching EU law.

This is despite the fact that the Scottish Parliament had already voted to reject the privatisation of these lifeline services, which carry five million passengers a year, following an outcry in the Scottish islands that depend on them.

We have already seen what chaos and mayhem such policies have wreaked on our privatised railways. Yet today, the breaking up and privatisation of national publicly-owned railways is being carried out across the EU through the implementation of various EU directives.

In the UK, the first of these EU directives — 91/440 adopted on July 29 1991 — formed the basis of the Railways Act 1993.

This Tory Act included measures that privatised Britain's railways, introduced open access and separated ownership and control of infrastructure from train operations.

A "second package" for deregulating EU rail networks proposed by the European Commission was imposed in January 2003, and a "third package" was adopted in March

**"The EU's  
privatising  
agenda is  
not limited to  
the defeated  
Constitution"**

2004. At no time was there any meaningful public debate about these far-reaching, neo-liberal measures.

Yet, as a result, state-owned French railways SNCF has lost its freight and passenger monopoly and companies like Connex – which made such a mess of Kent’s rail network – are seeking to break up the French network. The same is happening in Italy where private rail operators have taken nearly 40 per cent of the freight market. The privateers undercut the publicly-owned train operator, Trenitalia, by cutting corners and employing fewer staff.

This neo-liberal smash-and-grab is also enshrined in the infamous services directive, which is still with us despite claims to the contrary. This directive aims at the “liberalisation and deregulation of all service activity in Europe” and threatens to provoke a ‘race to the bottom’ for staff pay and conditions in the health and education sectors.

It is also a perfect example of how eurocrats, operating in their undemocratic bubble, seek to promote corporate interests without the knowledge of many MPs, let alone their electorates.

**“There are a variety of social models across the EU”**

Despite this EU-led neo-liberal offensive, we are being asked by an unrepresentative minority within the labour movement to continue giving Brussels support through thick and thin in order to defend something called the ‘European social model’.

Yet it is doubtful if this ‘European social model’ — a world where workers and employers live in harmony as ‘social partners’ — exists at all.

What does exist, however, is a variety of social models across Europe and beyond where trade unions, employers and elected governments have over the years found different ways to negotiate solutions to disputes. Yet these very models are being eroded by Brussels, which demands ‘labour flexibility’ to deal with economic crises rampant within the struggling eurozone. This is combined with policies that encourage social dumping, job cuts and mass privatisation.

For instance, the pro-EU German government has slashed social security benefits and introduced a ‘forced labour’ programme. The new Hartz IV law offers so-called “one euro jobs”, anyone who

**“The EU is the motor for neo-liberal ‘globalisation’ in Europe not protection from it”**

refuses them will have benefits withheld. Berlin plans to create 600,000 such ‘jobs’ where workers are paid an hourly wage of just one euro (60p) and are refused union representation.

This vicious new law is all about creating a low-pay sector, something previously unknown in Germany. The impact of this is now being felt in the more highly paid unionised sectors. For instance, car manufacturers recently forced Germany’s most powerful union IG Metall to swallow pay cuts or face the prospect of vehicles being built east of the German border.

The French government is imposing a law by decree, as opposed to traditional parliamentary procedures, to allow companies to ignore dismissal procedures and sack staff during their first two years in the job. French prime minister Dominique de Villepin oddly described the decree as “the last chance to save the French social model”.

Greek unions recently launched a general strike against government plans to enable employers unilaterally to impose “flexible” longer working hours. Presumably, all these anti-worker measures are designed within the remit of the mysterious ‘European social model’, which appears to mean whatever you want it to mean.

The labour movement must wake up to the simple fact that the EU is the motor for neo-liberal ‘globalisation’ in Europe, not protection from it.

EU officials openly admit that this is the case. EU Commission Vice-President Günter Verheugen recently said as much when pushing the EU’s “Lisbon agenda” to promote ‘competitiveness’ in Europe.

“Globalisation is not something China imposed on us, but something we have done ourselves. People must be told that globalisation is our policy,” he said. It is time for trade unionists to defend democracy and public services against Brussels’ neo-liberal diktats that hand everything over to the private sector regardless of the consequences.

Billy Hayes

# A safe European home?



*Billy Hayes is the General Secretary of the Communication Workers Union*



The referenda results in France and the Netherlands have created a new situation in Europe.

Despite the opinion of some diehards, it is clear that the proposed EU Constitution is dead. There is a crisis in the future perspective of the EU.

Some in the labour movement, and from the left, believe that this is a positive development. Some left-wing supporters of the 'No' campaign assume that neo-liberalism has been dealt a body blow.

This is a little difficult to square with reality. The British Government took the referenda results as a cue to step up its campaign for the further liberalisation of EU markets, including the labour market in Europe. Tony Blair obtained the best hearing he has received for some time in Europe when he addressed the European Parliament on this theme.

**“Blair has taken the French no vote as a cue to step up the campaign for neo-liberalism in Europe”**

Of course, such a line does not meet the concerns of voters in France and the Netherlands. In a poll by Le Monde, 46% of those voting 'no' said fear of unemployment was the most important concern with the EU Constitution. Certainly this is a grounded fear. The Constitution supported the deflationary policies of the Maastricht Treaty.

Calls from the Prime Minister, and others, for the removal of employment safeguards and greater liberalisation ran exactly opposite to the wishes of such voters.

It might be argued that the left has improved its position after the votes. The same Le Monde poll named Laurent Fabius, the leader of the opposition inside the Socialist Party, as the politician who was the main beneficiary of the 'no' vote.

Yet there was also an element to the 'no' vote that is based on fear of the foreigner and racism. 96% of the Fascist Party supporters voted 'no'. Jean-Marie le Pen was named as the second main beneficiary of the 'no' vote.

One thing is for sure – if you pursue a deflationary economic policy, if you attack welfare provisions, and if you promote a fear of migrant workers and asylum seekers then you are going to create a

**“The need for reform of the ECB remains as pressing as ever if the debate over euro membership is to be reopened”.**

swell of racism which the fascists will ride.

Of course the EU's economic and social policy could be better than it is. A co-ordinated expansion of the economy, inside and outside of the Eurozone, is necessary if the policy of Social Europe is to be funded. The problem is that national governments, and the European Commission, are not carrying through such an expansionary policy.

Some on the left argue that an expansionary economic policy is not possible whilst utilising the Euro. In Britain the argument about the Euro has been won because the UK economy has been kept afloat by massive government spending. It is this which has allowed the UK economy to prosper in comparison to the Eurozone.

But there is little evidence that the British economy, once government spending is discounted, has out-performed the Eurozone. Should the Eurozone commence a sustained growth then the argument over the Euro will be posed again. This may be some time away, given the European Central Bank's obsession with price stability over any other economic goal. The need for reforms of the ECB remains as pressing as ever.

Nothing has made this clearer than the de-facto collapse of the Stability Pact. Germany, France, Italy and Portugal have all broken the pact. Yet a bone-crunching deflation has not been imposed by the EU Commission, despite the provision of the Maastricht Treaty.

Surely it is clear that national governments, and political will, continue to actually dictate the course of international politics. Euro-sceptics should be pleased that the EU institutions can be so easily brushed aside by determined national governments.

Looking forward, the EU's capacity to act as an alternative in the world to US dominance appears to be weakened. The referenda results seem to strengthen pro-US politicians in the EU. Most notably it appears to be the case that Angela Merkel and Nicholas Sarkozy are well placed to win forthcoming elections.

These are not politicians to repeat the stance of Schroeder and Chirac on Iraq. On the contrary, they are more likely to move the



EU further to the right, with a less contentious relationship with the Bush administration.

Those areas of EU foreign policy where some degree of independence exists are likely to come under pressure. The dangers in this for countries such as Cuba and Iran are very clear. Instead of the EU developing an independent a foreign policy it could so easily become another arm of US foreign policy.

Such developments also have an impact upon economic policy. Whatever its limitations, the Franco-German axis offered elements of social protection within the EU model. Now this axis is breaking down, neo-liberal forces will be strengthened. The US originated 'flat tax', adopted by some of the accession countries in Eastern Europe, is beginning to be canvassed inside the EU as a motor to economic growth.

**“The likely election of Sarkozy and Merkel in France and Germany will move the EU to the Right”**

Even in France, following the referendum, the De Villepin government is aiming to remove employment rights, allowing workers to be easily fired in their first two years of employment. Doubtless French workers and their unions will make a serious fight on this. But it does affirm the need to make employment rights an

integral part of the left's strategy for the EU. And it also is a warning about drawing simple conclusions about the referenda.

If the EU is to be constructively built then it will be because national governments insist upon a policy separate from US interests. This has an important bearing on the EU's relationship to the growing economic power of China.

It is clear that the growth of the Chinese economy is of substantial interest to the EU. The most effective relationship would be to buy the domestic consumer commodities from China in exchange for modern means of production. China is desperate for technology and the EU economy can form a close relationship as a provider of such material.

Yet here we have a clear problem to face. The EU Commission's handling of textile imports from China this year is a model of how not to have an effective relationship. If the concerns are to defend EU domestic textile firms then it cannot be through offering China an open door one moment, only to close it the next.

Even worse was the debacle around the proposal to lift the embargo on arms sales to China. The Council of Ministers initially agreed to lift the embargo. The US Government lobbied very hard to overturn this. In an abject manner, the British Government became a surrogate for the White House by campaigning to have the decision reversed. This victory for the British Government adds nothing to British interests and discredits EU independence from the US.

The challenge is to secure a positive relationship with China. One where China's productive capacities are allied with EU technology in a mutually beneficial relationship. Such a relationship would lower commodity prices in Europe, assist poverty reduction in China, and offer a new lease of life to services and some sections of manufacturing in the EU. Of course, we must be looking to establish international labour standards in China and the EU in the process.

Any alternative which aims to isolate China is simply an extension of US foreign policy. A more positive approach to China will also place the EU much closer to

**“The EU's handling of the China textile crisis is a model of how not to build a positive relationship”**

**“The two main goals of the left’s approach to the EU should be an expansionary economic policy and a foreign policy independent of the US”**

the progressive and left wing governments in Latin America. These governments are re-orientating to China in an effort to loosen the US strangle hold upon their continent.

In summary, the labour movement and the left in Europe has to continue to engage with the EU. National governments can contribute to its progressive development. But this means that we must campaign for an expansionary economic policy, and a foreign policy independent of George Bush.

Stefan Carlén

# Protecting the Nordic model

*Stefan Carlén is the Chief Economist of Handels, Sweden's Commercial Workers' Union.*



In the Swedish referendum of September 2003, a huge majority voted 'no' to joining the euro. According to exit polls most social groups had a 'no' majority. But opposition to the euro was strongest among working class voters, and especially among working class women and young people. The exit polls also told us that the most important argument for voting against the euro was democracy. Swedish voters didn't want to hand over any more power to the EU. The arguments made against the euro are similar to the arguments against the EU Constitution and against further centralisation of powers which currently rest with nation-states in the hands of the EU institutions. Workers in Sweden see all of these moves as a threat to the model we have built over the last century.

The 'no' vote was not a surprise to me. But it came, I think, as a big surprise for some people in the leadership of the Swedish labour movement. I had been working on EU issues for six years before the referendum. As an economist in one of the largest trade unions in Sweden I had been travelling around all over the country. I met people directly at their working places, in local union branches and in local social democratic party branches.

It struck me all the time how huge opposition to the euro was among Swedish workers. And it also struck me how deeply rooted the refusal to go along with any kind of European federalism was. In my discussions I learnt a lot about how rational people's opinions were. Wherever I asked I got the same answers to the question of why you should oppose joining the euro or any idea to give away more power to the EU level: "We always lose when decisions concerning our lives are taken so far away that we don't have any chance to influence them. Stockholm may be far away but it's damned closer than Brussels."

**"Swedish workers don't want to lose power. They say, Stockholm may be far away but it's damned closer than Brussels!"**

The power that workers in Sweden have built is that we are able to use our numbers to influence and direct the work of the government here. The construction of the Nordic model was not an accident, it came about through the mobilisation of working people in a framework that we could influence.

During the time that has passed since the euro referendum, opposition to EU federalism has grown even stronger among Swedish workers. It has been clear in a couple of obvious cases that the growing power for the institutions of the EU in

Brussels means a growing threat to the social standards we have.

One of these cases is the industrial conflict in Vaxholm outside Stockholm in the autumn and winter of 2004-2005. The Vaxholm council decided to build a school, and a Latvian company won the tendering process for the contract. Byggnads, the Swedish Construction Worker's Union, discovered that the Latvian workers were paid much less than other construction workers, and tried to negotiate a collective bargain agreement to secure industry rates for the workers. As the employers refused to sign a deal, the union took industrial action against the company.

**“Swedes do not accept the basic market liberalism of the EU project”**

Now another company has taken over the deal, and the workers have a collective bargain agreement, securing decent pay and conditions for the workers. But the debate isn't over, as the European Court of Justice (ECJ) is set to rule on whether this industrial action was a violation of EU legislation. The company involved is arguing that the industrial action constrained their right to run their business. There is a fear among Swedish trade unionists that if the case goes against the union, this could lead to a move towards a tearing down of collective bargaining – a cornerstone of our social model.

At the end of April 2005, this led Erland Olausson, the deputy chair of the LO, the Swedish TUC, to say in a press release that “If the ECJ decides [against the union] the benefits of Swedish membership of the EU would disappear and then LO must reconsider its position on the EU. We can't be in the EU if it means the Swedish model falls apart”.

If Sweden would have had a referendum concerning the EU Constitution I am convinced that it would have had the same result as in France or the Netherlands. The main arguments against the Constitution for Swedish workers are the same as in most other European countries.

Firstly, Swedes don't accept the basic market liberalism of the EU project. The criticisms focus on the laws of competition, the anti-democratic monetary policy in the Eurozone, the Common Agricultural Policy and the tariff walls that harm countries in the developing world. The Economic and Monetary Union process in combination with the inability of the euro to work successfully with



Photographer: Holger Staffansson

so many different economies has created mass unemployment in large parts of Europe. This has in turn led to cuts in the welfare state and tensions within the labour market. This threat to our labour market, heard through the mantra of “flexibility”, is actually a threat to national collective bargaining agreements and to health and safety legislation. EU laws to promote competition have been used as a means to force through the privatisation of areas of public sectors, to impose deregulation and to increase competition in areas we consider services rather than areas where profit is the main motivation. Workers, and especially women, have been hit by these policies, so it’s not strange that these groups are in the forefront of refusing to accept these policies when asked to vote on them.

Secondly, the general opinion in the labour movement is to oppose handing over of any more power to the EU level. On the contrary, most people want to decrease the power of the EU and take it back to national level. This is not any kind of nationalism. It is just a rational opinion from a strong democratic view — the decision making should be where the democratic institutions are strong, not where they are weak. In Sweden workers understand and identify with the political institutions we have built here — that's why turnout in elections is usually around 80%. But workers don't understand and don't accept the political authority of the Brussels institutions — which is why turnout in the euro elections was only 30%.

There are, however, some intellectuals on the left in Sweden who argue that workers would benefit from the development of a United States of Europe. They argue that a more federal Europe would be a weapon against the global capital market, and a way to strengthen the trade unions. I know that these kinds of intellectuals are present in the public debate all over Europe. However, though I respect a lot of these thinkers, the arguments do not make any sense to me.

The arguments they use are equivalent to saying that the USA, as a federal state, is a weapon in the struggle against the global capital market. Or that the supranational state in US has led to the strengthening of trade unions there. On the contrary, I am convinced that power in a federalist Europe – just as in USA today – would fall into the hands of employers, lobbyists, central bureaucrats and courts inhabited by right-wing judges. Workers are very rational in their refusal to accept that kind of development.

**“Power should be exercised where democracy is strongest – at the moment that is the nation-state, not the EU”**

The Swedish workers are proud of the model they have built in Sweden. It is by no means perfect – far from it. In fact there are always discussions looking for ways to strengthen it. But a majority believe that the model has the right ingredients of social inclusion, a strong welfare state and a dynamic economy. There are ways in which the EU and EU members could learn from us and us from them – which is why we support co-operation in Europe. But by giving away power, we will threaten the advances we have made. ‘Ever closer union’, the dream of Eurofederalists, should come to an end.

**“Giving  
away power  
means threatening  
the strong social  
advances Swedish  
workers have  
made”**

In Sweden — as in most European states — there is a huge democratic gap between the elite leadership of the labour movement and the people they are expected to represent when it comes to EU issues. Perhaps opposition from workers all over Europe can convince the leadership that giving away power to the EU is the wrong way to go. Otherwise the gap between the voters and the elite will become a democratic ticking bomb.

## About the Centre for a Social Europe

The Centre for a Social Europe is a progressive think tank which makes the case for EU reform. We support Britain's membership of the European Union but believe that change is needed. We do not believe that progressive politics in Britain or in Europe are best served by 'ever closer union'. We believe that in the modern world decisions are best taken locally: that democratically elected national parliaments and devolved institutions within states remain the most appropriate forum for democratic control over important policy decisions.

Voters want to see a new Europe where countries are able to protect and enhance their social and economic interests while co-operating with other countries where the benefits of co-operation are clear. The CSE is a forum for debating the EU on the centre-left in Britain and across the EU. We aim to work closely with socialists, social democrats, Greens and trade unions across Europe. We aim to foster debate amongst people with a variety of views on how the EU should develop, and will bring forward interesting and stimulating research from people of many political views within the centre-left.

You can register as a subscriber on [www.social-europe.org.uk](http://www.social-europe.org.uk) to receive:

- Monthly CSE bulletins with contributing academics, MPs from left-of-centre parties in the EU and trade unionists.
- PDF copies of CSE publications.
- Notification of CSE events, including seminars with European speakers, parliamentary briefings on EU legislation and conference fringe events.

The Centre for a Social Europe relies on the support of trade unions and individuals. If you are able to make a financial contribution, please do so by making cheques payable to "Centre for a Social Europe" and sending them to Centre for a Social Europe, 7 Tufton St, Westminster, London SW1P 3QN

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The rejection of the EU Constitution by left-wing voters in France and the Netherlands has opened up a “period of reflection” in the European Union, with political leaders reacting to the chasm that has opened between Brussels and ordinary people.

The trade union view of how Britain’s relationship will develop with the EU should be central to the debate. Does the EU represent a good deal for workers? What can the EU do to ensure public services are protected not undermined? Will the EU’s neo-liberal drift continue or be stopped? This pamphlet includes four contributions to the debate from leading trade unionists.

Produced by the **Centre for a Social Europe**.

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