



EUROPE AND GLOBALISATION





E U R O P E
A N D
G L O B A L I S A T I O N



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INTRODUCTION

• E U R O P E A N D G L O B A L I S A T I O N •

This training guide on globalisation and Europe was produced by the European Trade Union College (ETUCO) in cooperation with the European Trade Union Confederation (ETUC) and supported by the European Commission.

It was developed by a team of trainers advised by the ETUC and contains three parts:

- A Note on Methodology for Trainers. This note tries to capitalise on the experiences of trainers at national and European level. It can be helpful for preparing training sessions on these issues.
- A main text entitled Europe and globalisation.
- A handy glossary providing a more detailed explanation of certain terms used in the main text.

The guide was developed as a tool to help education officers and trainers to outline and implement a globalisation teaching strategy, which should be linked to their organisation's own values and ETUC guidelines and focus on:

- Forms of globalisation and the main actors involved.
- Regulations and tools for tackling globalisation.
- Trade union strategies and actions at European and international level.

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- Georges Schnell (ETUCO) for his assistance with formatting and production of the documents.

Brussels, 25 March 2005
Jeff Bridgford
ETUCO Director

Europe and globalisation

Over the past year, the European Trade Union College (ETUCO) has worked in close cooperation with the ILO International Training Centre in Turin to provide a series of courses for trainers from ETUC affiliated organisations.

This training programme is unique in its objective of analysing the European Union's positions on globalisation as seen in internal and external EU policies.

The unique nature of the training courses offered is primarily found in the meetings arranged between European trade union trainers and groups from other continents. Meetings have already been held with groups from Africa, South America and Asia and a meeting with a group of trade unionists from Arab countries is due to take place in the near future. Despite great differences in the socio-political and economic backgrounds of each continent, this exchange of knowledge and expertise is an immensely enriching one. The strategy of global capitalism, and more particularly global financial capitalism, is essentially based on the dogmas of competitiveness and flexibility, which further widen inequalities between different countries and territories. What is interesting after a period of uncertainty is the emergence of new forms of action and trade union participation and the search for alternatives in relation to employment, social protection, access to social rights and improvement of living and working conditions. Trade unions have converged on analyses and the actions to be developed. It is now a case of consolidating, expanding and expressing these actions across continents.

The annex to this training document provides a glossary containing definitions of common terms (for example, competitiveness, Washington Consensus and debt). It also describes the functions of the main international institutions (such as the IMF, World Bank, WTO, ILO, OECD and EU).

The European Union is a complex and unique structure. It is both a centre for development of the global economy, following liberal practices that influence internal and external policies, and also an embryonic political structure based on significant social heritage and the results of political and social agreements fought for by the European trade union movement for over a century. This heritage includes a body of civil, social, economic and cultural rights which serve as the basis for a democratic and social Europe that contributes to the global regulation of markets. Within the EU, which admittedly has its shortcomings, there exists real potential that is currently under-exploited.

This training guide is intended as a practical manual and reference tool for trainers. It aims to provide a definition of what globalisation means, in practical terms, whilst locating it within the historical development of capitalism.

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It also outlines the main stages in trade unions' resistance to such developments and their major achievements (in terms of social security, negotiation of collective agreements, labour legislation, labour codes, equal treatment, health and safety at work, etc.).

It looks ahead to a potential democratic control over markets, through more coherent and convergent trade union action across the continents and through the work of coalitions (pooling of expertise and knowledge between various social actors and between social actors and trade unions).

The European Trade Union Confederation and all its affiliated organisations are developing joint objectives and striving to take action that is more effective and better suited to changing situations. The ETUC's priority is to ensure that national trade unions see themselves as both European and international players.

Joël Decaillon
ETUC Confederal Secretary

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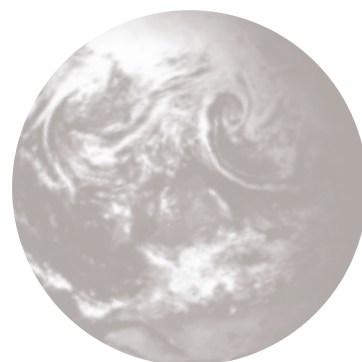
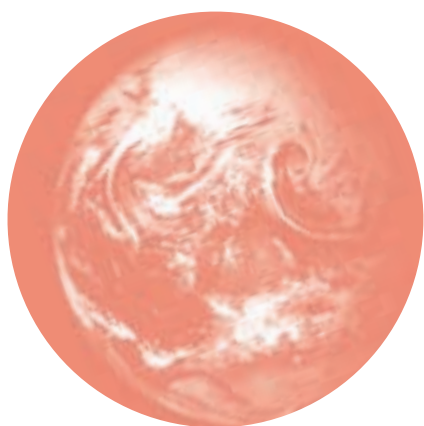
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■ Presentation

This training tool is the result of the training programmes for education officers and trainers on the subject of Europe and globalisation carried out since 2003 by the European Trade Union College, in partnership with the ICFTU and the ACTRAV training centre in Turin.

This tool has three parts:

- This Note on Methodology for Trainers. This note tries to capitalise on the experiences of trainers at national and European level. You may find it useful in preparing training sessions on these subjects.
- A main text entitled Europe and globalisation.
- A handy glossary providing a more detailed explanation of certain terms used in the main text.

■ Difficulties with trade union training on globalisation

Before getting started, it is best to be aware that this will not be an easy task. Here are six of the difficulties that you will face:

1. The danger of a defeatist attitude

For decades now, most trade unions have operated under rather difficult conditions. Globalisation seems to be a massive and elusive threat. Our objective is to find ways to be stronger and more efficient; not to discourage participants even more. And yet it is risky to focus on the threat without seeing the weaknesses in the system, the alternatives, the tools at our disposal, what we have already accomplished and so forth.

2. An overabundance of information

We are trying to introduce our colleagues to an unknown country or a brand new topic: globalisation is mentioned every day in the media and there are hundreds of books on the subject covering every type of opinion and counter-opinion. The problem is that if we simply add more information to the mountain of information already available we will make the situation even worse. So, care must be taken to clarify things, to clearly establish the meaning of the main concepts (hence the glossary), and to say what globalisation is not as well as what it is.

3. The concept of 'globalisation' has been burdened with negative connotations

This is understandable since, without necessarily understanding all the mechanisms, workers have felt that their lives have been influenced negatively by globalisation. But it is not easy to take an active interest in something that is complex, hostile and feared. So what can we do? We will be taking globalisation as the context for our action (although it is actually a new phase in the much older context of capitalism). However, we shall avoid focusing too closely on the context itself, since the inspiration and goal of our training is not

globalisation, but dignity and workers' rights. Those are the things that matter to us and, we hope, to the colleagues we will be training.

4. The weight of national experience

Just like ourselves, the colleagues for whom we prepare training sessions are strongly influenced by their national experience. Trade unions are national bodies, and social legislation, bargaining systems, etc. are also specific to each country.

As always in intercultural encounters, the danger is that differences will come to the fore and blot out underlying similarities (between most European systems). Sometimes foreign systems may appear to challenge national ones.

In so far as we are asking our colleagues to take a risk in finding out about other forms of trade unionism, we must be aware of the dangers involved and must also help them discover the common ground behind the differences. That means being able to see beyond institutional differences (national legislation, regulations, etc.) and discover shared values, such as the need for collective representation, which involves gaining workers' trust.

5. The two faces of Europe

Talking about Europe with trade unionists or workers often leads to conflicts steeped in misunderstandings. On the one hand, there is a deeply rooted attachment to 'Europe', especially among the post-war generations: Europe means peace, no more nationalism, and pride in a social model of shared prosperity and social security. When you see images from the Third World and the United States, you are glad to be living in Europe. Then there is the other face: the 'bureaucrats in Brussels', the European Union used as an excuse by all governments at home to impose unpopular measures, anti-social directives, etc.

All of this is set in an emotionally charged context, with the media and European elites apparently trying to turn 'Europe' into a taboo issue: not being 'pro-Europe' can be an unpopular stance and invite rejection along with the Far Right, populists, demagogues and the like. In such circumstances it is not easy to have a serious debate. We have chosen in this manual to start out with the assumption that today's Europe does indeed have two quite different faces: that of the 'European social heritage', as we shall be calling it, and that of the broadly 'liberal' project of the European Union, at least since Maastricht. The aim is not to idealise the former or demonise the latter, but to open up an area for discussion in which people can distinguish between the two faces.

6. All training is complex!

One can never be certain that trainers will manage to convey all of their intentions in what they say, nor that participants will understand everything they hear, or indeed that they will retain (and put into practice) everything they have understood. We therefore feel that trainers' inputs should be kept to the bare minimum required (that is the aim of the 'main text'), whilst participants are encouraged to play as active a part in the training activity as possible (see our conclusions, presented as questions for discussion) and are given mate-

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rials (electronic, paper-based, etc.) so that, after they return home, they can look again at those parts of the course that made the biggest impression on them.

■ Proposed training course (4-day session)

To illustrate the components set out in this guide, we decided to present a 4-day transnational training course with the following objectives:

To prepare education officers and trainers to devise and implement a globalisation teaching strategy, that should be in line with their organisation's own aims and the ETUC guidelines and focus on:

- Forms of globalisation and the actors involved.
- Regulations and tools for tackling globalisation.
- Trade union strategies and actions at European and international level.

This training course will show how trainers can use this tool to enrich and supplement the information sent to the participants.

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Day 1	Day 2	Day 3	Day 4
Start of course • Presentations of objectives and work programme • Expectations of the participants Forms of globalisation • Working group on the impact at national level (unemployment, jobs, social protection, etc.) and on the union impact on various issues • Group report Activity Sheet 3	Regulations and globalisation – Scope and limits of existing tools • Presentation of the themes and the group work • Working group on unions using the tools Activity Sheet 4	Union strategies and actions – Role of the ETUC and international trade unionism Presentation by an expert Union strategies and actions • Group work based on a case study • Activity Sheet 5 • Group report • Discussion and additional contributions	Trade union take-up of actions against globalisation at European level (cont.) • Group work • Group report • Discussion and additional contributions
Forms of globalisation • Dimension • Strategy of the 'players' Presentations by experts Debate with the group for clarification	Regulations and globalisation – Scope and limits of existing tools • Group report • Discussion and additional contributions Round Table with experts, moderated by the trainers on the various regulation-related tools	Union strategies and actions (cont.) • Group work based on a case study • Group report • Discussion and additional contributions Trade union take-up of actions against globalisation at European level • Group work • Activity Sheet 6 • Group report • Discussion and additional contributions	Summary and evaluation of the training course

■ Types of training activity

Below is a description of the training activities the participants will be involved in. These activities are carried out during the training course or require preliminary work and are used as a basis for group work.

Work prior to the training course

The activity sheets will be sent out to all the participants with their registration confirmation letters and will help them find out about each other and what they are doing about globalisation.

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Activity 1:	Personal presentations
Objectives:	1. Get to know the people on the training course 2. Start to exchange experiences
Tasks:	1. Introduce yourself to the other participants on the course. Don't forget to mention: • Your name • Your organisation • Your position • Your experiences in national and/or transnational training on globalisation • What you expect from the course Then answer the following question: 2. Which two key factors make a good training course on globalisation? 3. Briefly explain your choice.

Activity 2:	Analyse the national situation
Objectives:	Read the ILO report on globalisation. See how your organisation is addressing issues associated with globalisation. Describe the impact of globalisation on the everyday lives of workers and on national trade unions.
Tasks:	After reading the synopsis of the ILO report, give your personal answers to the following questions. 1. What is the perception of globalisation within your organisation / trade union organisations in your country? 2. How does globalisation affect the everyday lives of workers in your country? (You can base your answer on the five core components of the European social heritage: social security, the right to collective bargaining, civil liberties and universal suffrage, education for all and social legislation – but you can also mention other issues.) 3. How is globalisation changing the way trade unions are organising and taking action in your country, and their ability to achieve their objectives?

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>>> Resources:	ILO documents: • A Fair Globalization: Creating Opportunities for All. http://www.ilo.org/public/english/wcsdg/docs/report.pdf • Synopsis (English)
Output:	Each of the participants can use the two enclosed tables to note down his or her answers. These will be used as the basis for the work on the first day of the course.
Sheet Annex 1:	Impact of globalisation on the everyday lives of workers in terms of: 1. Social security 2. The right to collective bargaining 3. Civil liberties and universal suffrage 4. Education for all 5. Social legislation 6. Other areas
Sheet Annex 2:	Impact of globalisation on union action and organisation A. Is the capacity for trade union action affected by 'globalisation'? (In what ways?) 1. At company level, workforce representatives 2. At sectoral level 3. At confederation and cross-sectoral level B. Are trade unions changing the ways they are taking action and/or organising? (If so, how?) 1. At company level, workforce representatives 2. At sectoral level 3. At confederation and cross-sectoral level
Alternative	The two attached sheets may be used as the basis for reports written and prepared by the participating organisations which will be circulated and discussed during the training course.

■ Activity Sheets

The activity sheets which follow will be used as a basis for the work done by the transnational groups. They will also be used when drafting the group report and in discussions with experts and trainers.

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Activity 3:	Forms of globalisation
Objectives:	The aim of this group work is to clearly establish the link(s) between globalisation and the everyday experiences and concerns of union activists.
Tasks:	1. Discuss how globalisation affects the everyday lives of workers. You can base your answer on the five core components of the 'European social heritage'. (see Annex 1) 2. Discuss how globalisation is changing the way trade unions organise and take action in your country, and their ability to achieve their objectives. How are they reacting (it at all)? (see Annex 2) In both these two discussions, stress those things that are common to the various countries and those that are contradictory or different (as appropriate).
Resources :	The presentations from the morning session. Everyone's knowledge of the social and trade union situation in their country.
Output: Report	The group can base its work on each of the discussions and/or on a table like those enclosed. It should only use resources that the group considers essential.
Timing:	The session will last 90 minutes. No later than 15 minutes before the end of the session, the group needs to start concentrating on the summary so that it can agree on the main information to be included in it.
Materials	The sheets used in Annexes 1 and 2 for the preparatory work The information sheet on the 'European Social Heritage'

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Activity 4:	Existing regulatory instruments: scope and limitations
Objectives:	Examine some of the main current regulatory instruments. Identify the difficulties involved in implementation and/or use of these instruments by trade union organisations, as well as their limitations Discuss the need for other instruments and strategic (policy) guidelines for regulating globalisation
Tasks:	After having analysed the impact of globalisation the day before, each working group will analyse a regulatory instrument by answering the following questions: 1. Are these regulatory instruments known (and used) in your country/union? What are the main difficulties/obstacles in applying them? 2. What are the limits of these instruments in terms of their scope and effectiveness? 3. From the point of view of your trade union organisation, what other instruments and strategic (or policy) guidelines are needed at international, regional (e.g. European) and national level in order to ensure a more efficient regulation of globalisation? Prepare two questions for the discussion with the experts on regulatory instruments.
Resources:	Suggested documents for each instrument that the working group is expected to study The report on the ILO synopsis, in particular the part on 'global governance' Everyone's knowledge of their national situations and the actions and initiatives taken by their trade union
Output: Report	The group can base its work on a table (like those enclosed) for each discussion. It should only use those resources it considers essential.
Timing:	The working session will last 150 minutes. 30 minutes should be set aside for preparing the summary so that the group can work out the main information to be included in it.
Materials:	

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Activity 5:	Trade union strategy
Objectives:	Build up international trade union resistance and alternative strategies to those of the international institutions and in existing agreements. Devise strategies and measures for building up international trade union alternatives and bolstering the social model. Consider areas for cooperation (with other players) that need to be developed to help implement this approach.
Tasks:	After reading about the main repercussions of globalisation on the lives of workers and organisations, as well as the scope and limitations of existing regulatory instruments: 1. Uncover the strategic lines and trade union alternatives for defending and bolstering the social model. 2. Discuss the better use of existing or future regulatory instruments for supporting the implementation of the strategies. 3. Define the cooperation strategies needed for implementation (partnerships, joint work, platforms, forums, etc.). With whom? In what form?
Resources	ICFTU text: The trade union response to globalisation ETUC texts: Resolution from the Prague Congress 'Europe and Globalisation', The social dimension of globalisation Text: Contribution by European trade unions to the struggle against capitalist globalisation, European trade unionism and globalisation
Output: Report	You can use the attached model sheet to present your group report (Table 1)
Timing:	2 hours
Materials:	

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Activity 6:	Devising national measures to help implement the strategy
Objectives:	Define the kind of measures needed to implement this strategy at national level and in your organisations.
Tasks:	1. Hold an in-depth discussion on the overall strategy in order to identify changes needed within national organisations to support trade union action at European level. 2. Draw up a list of measures and stages for implementing your strategy.
Resources:	Guidelines from the ETUC and the ICFTU
Output: Report	The group spokesperson will describe and explain each proposed measure
Timing	1/2 hours
Materials	

■ Advice for trainers

We have included some advice for trainers that all of you can supplement with your own experience and approaches.

VIEWS AND EXPERIENCES

Start with the views and experiences expressed by your colleagues so that you can take them on board, discuss them and give them a chance to evolve. The approach can be applied (depending on the time available) to the theme for the course (Europe, globalisation, trade unionism, etc.) and/or to the training process itself. The participants can be asked to give their views individually or in pairs (as you prefer) on the following subjects:

- Brainstorming on globalisation or Europe ("The most important thing about globalisation is ...").
- Open-ended discussion on trade union representation systems in various countries ("In my opinion, trade unionism in ... is more ...").
- International trade unionism ("I think that international trade union organisations are ... or should ...").
- The course programme ("my expectations or fears about this training course are ...").

The trainer may then, for instance, make a list of ideas that everyone agrees

with, those that are more controversial, etc. When carrying out these kinds of activities, it is useful to factor in some time at the end of the session to return to the initial views expressed and take the time to work out what has changed.

PRESENTATIONS

The various chapters in the manual can be used as a basis for presentations, perhaps supported by slide shows, and these can be followed up with discussions and group work on the themes addressed.

USING THE MANUAL AND GLOSSARY

Clearly, people who have already had a chance to look at the guide (or have been told to consult it) will be far more likely to use it effectively.

REPRODUCING WHAT IS LEARNT

One particularly important and difficult stage in any training process, including training for trainers, is to see how the participants can move from the (supposedly) passive mode of 'listening' to the more active task of passing on what has been learnt from the presentations, or at least those parts of the presentations that seemed useful.

This difficulty is enhanced by the fact that:

- Contexts change: I have heard a particular presentation in Turin at a training centre, but I need to train other colleagues elsewhere.
- Time goes by: today the presentations and discussions are still fresh in my mind ... but x weeks from now, a thousand other things will have happened ...

That is why it can be helpful (without getting bogged down in drills or mind-numbing repetition) to ask the participants during the actual training session how they would convey a certain key notion from the training session at their own workplace, given the various constraints in terms of time, venue, personal priorities, etc..

Lastly, there is no doubt that if you need to explain something to someone else, you must have a good grasp of it yourself.

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- 1 **The human side of globalisation**
- 2 **The state of the world today**
- 3 **Globalisation: what it is and what it is not**
- 4 **Stage 1: 1840 – 1920:** Workers faced with the exploitation of unrestrained capitalism
- 5 **Stage 2 (1920 - 1970):** From the founding of the ILO to the Philadelphia Declaration: towards national regulation of capitalism
- 6 **Stage 3 (1970 – 2000 ?):** From the “dollar shock” to the Washington consensus: globalisation of financial capitalism and deregulation
- 7 **Europe and globalisation: an ambivalent relationship**



1.1

The human side of globalisation

■ Who has the right to live?

Varying life expectancies at age 25

Elisabeth is 25. She finished her higher education last year in a European country, and found a job with a large agri-food company. She doesn't earn a fortune but her salary offers her a decent standard of living. Her work can sometimes be stressful, but it isn't dangerous, and there is a trade union in her company that ensures compliance with the relevant standards. When the time comes she will know how to look after her health and will have the necessary check-ups. Providing all goes well, she'll live to be 90 or older, giving her another 65 years ahead of her, half of which will probably be spent in retirement.

Elsa is 25. She also lives in Europe but wasn't able to finish her basic studies. After several months on the dole, she was forced to accept a temporary job with a subcontracting company. With a bit of luck, one morning or evening she'll be cleaning the office where Elisabeth works during the day. Obviously, with short-term contracts and working hours divided between mornings and evenings, it's more difficult to organise family life and look after herself. And it's a well known fact that temporary workers are twice as likely to have a work-related accident...On average, life expectancy in Europe, as determined by professional status, varies by over 10 years; Elsa probably has a good 50 years ahead of her, and with a bit of luck she'll be able to enjoy something of her pension...

Esperanza is 25. The daughter of farmers in Latin America, she left the countryside (where an agri-food multinational bought up most of the land to grow plants for export) for a better life in the city. But with the few dozen euros she earns in a maquiladora, a firm located in a free trade zone, where she works a 70-hour week in very tough conditions, the only accommodation she could find was in a shantytown. She already has three children, and if she doesn't die giving birth to another child or as a result of domestic violence, she will be old by the time she reaches the age of 50. She is unlikely to make it to retirement age, and in any case she has no pension coverage.

■ Who has the right to protect their interests?

Real trade union freedom

The strike is into its third week. At the entrance to an industrial estate somewhere in Europe, the union representatives - behind their red and green flags - are tired. Their company has announced the loss of 50 jobs, despite recording substantial profits.

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Then suddenly something happens: the union representatives leave their meeting with the boss and the Ministry of Employment arbitrator, having concluded a draft agreement: there will be only 20 redundancies and almost all of these will be accounted for by early retirement. It isn't a major victory, but nobody will be out on the streets, and the union has shown that industrial action can pay off.

The strike is into its third week: at the entrance to a shopping centre near a tourist beach in Southeast Asia (or a Wal-Mart in the USA?), the union representatives are tired. Their company has announced that half of the workforce are to lose their jobs, with no severance pay.

Then suddenly something happens: protected by a dozen private militiamen, a troop of strike-breakers hired by the company boss force their way through the picket line and the strikers are summarily fired. The police, who have been standing by all along, instantly remove anyone who offers resistance. So there's no more strike, no more union and order is restored...

■ Who has the right to a job and to receive unemployment benefit?

Roger has a relatively tough job with a small company in the north. Nonetheless, it is a proper job. His wage is determined by fixed pay scales and takes account of his qualifications. He is also entitled to time off and to undergo vocational training, and his boss has to pay social security contributions on his behalf. He has made some good friends at work too...

Raoul used to have a relatively tough job with the company down the road. A year ago, he and half his colleagues were laid off because the new machines required fewer people to operate them. He can just about scrape by on the unemployment benefit he receives, but it's certainly no long-term solution. Fortunately, as an unemployed person, he is entitled to take part in training and integration programmes where he can gain new qualifications and see other people again – something he's missed since he stopped seeing his mates at work. When all is said and done, although he has lost his job, he has kept some of his employment-related rights.

Redouane works hard, six or seven days a week during the season. But he doesn't have an official job or any employment-related rights: no set working hours, no pay scale and no right to representation. And if the small workshop that hires him on a day-to-day basis were to close, he wouldn't be entitled to any unemployment benefit. So in the end, he thinks, unless you have an officially recognised job you are trapped by your work.

■ Who has the right to medical care?

On her 10th birthday, Lola broke her arm while playing. Fortunately, she was taken to a well-equipped hospital within 15 minutes. Her parents were worried

whether her arm would heal properly and about the amount of pain she was in. Later on they'll think about the hospital and medical costs, but they know that the lion's share will be paid for by the public health system or social security department.

On her 10th birthday, Lili broke her arm while playing. The nearest hospital is two hours away, but they don't do X-rays there. Her parents have been worrying about how they might pay the medical costs. In their country, the wealthiest people have private health insurance, entitling them to treatment in private clinics in towns and cities. At this moment, Lili is waiting in the corridor so her parents had better think of something soon - her arm is starting to hurt really badly...

■ Who has the right to travel?

Frank arrived last month in this West African city, where his firm is building an ultra-modern refinery. He has just gone back home to the USA to collect his small family. Their apartment is located in a safe residential area (locked and guarded day and night) and the local staff are really friendly. It's too hot, of course, but it's worth it. Once his two-year contract expires, he'll have earned enough money to buy himself a ranch back home. His children are learning something about the world, and he can go back home twice a year to see his family, so it's really not so bad.

Faustin arrived from West Africa in this European city last month. He'd hoped to find his uncle, who left home last year and hasn't been heard of since. Faustin plunged himself and his family into debt to fund the trip and pay the people smugglers, so there's no way he can return until he has earned enough to pay back what he owes and buy a piece of land and some animals back home. He misses his children and knows that he'll have to work for a few years yet before he can see them again. Bringing them over here seems so difficult...

Unfortunately, three months ago he was stopped when he came out of an underground station and was found to be without a residence permit. Ever since, he's been in a detention centre (guarded day and night) awaiting deportation from the country.

We could go on asking such questions. Who has the right to knowledge? Who has the right to culture, leisure activities, the poetry of life? Who has the right to peace?

This guide to globalisation would prefer not to talk about globalisation, but about men and women across the world who are supposed to have been born free and with equal rights.

1.2

The state of the world today

Declarations of civil, political and social rights are being put to the test by the realities of the 21st century

The preceding pages presented a few examples of what globalisation is doing to men and women today. Of course, it could be argued that those are simply examples and isolated cases... So let's take a more detailed look. What do we know about respect for the fundamental rights proclaimed in the Universal Declaration of Human Rights (UN – 1948) and in the important follow-up texts?

PROCLAIMED RIGHTS	THE REALITY
Everyone has the right to freedom of peaceful assembly and association. Art. 20 of the Universal Declaration, elaborated upon by ILO Conventions 87 and 98 (right to organise, collective bargaining)	Freedom of association is an exception in the world, since trade union rights are often restricted, controlled or suppressed (more than 200 trade unionists were murdered or disappeared in 2000). Even in Western Europe, the right to organise was won after 150 years of struggle and is still not perfect, given the low level of union organisation in SMEs, the intrusion of courts in collective disputes, and the increasing problems facing unions in large enterprises. Freedom of expression (free and independent media) is also the exception rather than the rule.
Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment. Art. 23 of the Universal Declaration. "The scope of poverty is an insult to human dignity... The next generation does not deserve to inherit such a world." (UN-UNDP Report 1999)	Unemployment: 160 million registered unemployed, probably two to three times more in reality. Under-employment (occasional work) is rife. In the next decade there will be another 500 million job seekers. 80% of the world's workers have no protection against unemployment. Working conditions 250 million children aged 6 to 14 obliged to work; numerous forms of exploitation: low wages, tight schedules, deficient hygiene and safety, stress, etc. More and more working people are still poor, including in Europe (France has 1,300,000 poor workers). Free choice? Millions of women and men are victims of forced labour. Increase in the number of workers with insecure employment conditions in Europe: free choice is restricted.

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PROCLAIMED RIGHTS	THE REALITY
Everyone ... has the right to social security. Art. 22 of the Universal Declaration	Globally, 80% of human beings have no access to social security. In the Central and Eastern European countries, "liberalisation" has led to privatisation of the greater part of formerly state-operated social security systems. Social security is under attack everywhere, particularly pension schemes and unemployment benefit.
Right to development "Poverty anywhere constitutes a danger to prosperity everywhere" ILO Constitution "All human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity." United Nations Declaration Right to Development , UN, 9 December 1975	1,000 million people "live" on less than one dollar a day: 1 person in every 6! 1,500 million human beings do not have access to drinking water: 1 person in every 4! 815 million human beings across the globe suffer from hunger and 24,000 people die of hunger every day! <u>In the industrialised nations</u> European Union: 50 million poor, with the figure stagnating United States: 33 million poor, with the figure growing
Everyone has the right to leave any country, including his own, and to return to his country. Everyone has the right to seek and to enjoy in other countries asylum from persecution. Art. 13 of the Universal Declaration	Every year, one to two million men, women and children are victims of trafficking of human beings. Driven by poverty, violence and local wars, millions of human beings are looking for a more humane life. Europe is taking a harder stance, leaving illegal immigrants in inhumane situations (detention centres, deportations, etc.), thus creating a huge number of illegal immigrants who are also exploited by employers using the black economy.
Right to peace "The maintenance of a peaceful life for peoples is the sacred duty of each State; the preservation of the right of peoples to peace and the promotion of its implementation constitute a fundamental obligation of each State." "Everyone is entitled to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized." Art. 28 of the Universal Declaration	Armed conflicts (Afghanistan, Pakistan/India, Chechnya, Central Africa, Balkans, etc.) have multiplied. The social and economic insecurity of the majority of populations and the totally unfair distribution of resources, wealth, knowledge and power are a breeding ground for intolerance, terrorism and racism and a catalyst for violence and armed conflict.

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The contrast between proclaimed universal rights and their implementation is very unhealthy. Not only are these rights generally not respected, but the trend is towards ever less respect: many inequalities and injustices are more pronounced today than 30 years ago and are continuing to worsen.

Humanity is in fact seriously threatened by the choice to give priority to the economy and monetary issues, as opposed to progress and social justice and protection of nature and the environment. Cultural and spiritual riches are also under threat with so many men and women being deprived of their dignity.

Understanding the causes behind the state of our world is a prerequisite for developing national or international trade union strategies.

1.3

Globalisation: what it is, what it is not

So can we discuss globalisation and is it helpful to do so? It is certainly a difficult exercise, partly since globalisation is frequently presented in the media as having the following four characteristics:

1. It is "natural", "inevitable" and self-imposing.
2. It is global, it creates uniformity and it abolishes differences.
3. It is a recent phenomenon dating back to the 90s or 80s.
4. It is driven by technology, such as the Internet, the growth of transport and satellites, etc.

We need to check carefully whether these notions correspond to reality.

But discussions are also impaired by the fact that the term "globalisation" can be used to mean whatever the speaker wants it to mean. For example, in defending globalisation, liberal political leaders often include cultural exchanges in the definition: "If you like eating chilli con carne or couscous, or if you like Latino music or African percussions, you must be in favour of globalisation." Similarly, some try to argue that anyone who is opposed to globalisation must be a supporter of far right nationalists...

In those circumstances it is impossible to hold a serious and helpful debate amongst trade unionists, or amongst citizens, on globalisation. How can we discuss something that means everything and nothing (from exotic cuisine to company relocations), and that simply descends on us "unavoidably"?

It is not our intention to engage in such endless and futile debates. What we need, as workers and as trade unions, is a practical definition of globalisation that enables us to take more and more effective action to defend our rights and those of workers throughout the world.

We are suggesting a four-point definition (more details of which are given in the "globalisation"* glossary item):

1. The term "globalisation" refers to a process whereby financial capitalism is tending to impose its interests on every society on the planet and all sections of society (labour, consumers, culture, public administration, etc.).
2. It is a process that is imposing on the whole planet a single mode of production, a political ideology (neo-liberalism*) and a dominant culture (that of the USA and, secondarily, Western Europe), but is producing polarisation and increasing inequalities rather than positive harmonisation. Breaking down borders and imposing the same rules on everyone is leading to greater inequalities between the dominant and the dominated.
3. Globalisation is intentional and organised by a consortium of financial, industrial, political and military players; these players are numerous and

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disparate but united by common interests and powerful lobbying networks. They are presenting some clear choices (see "Washington Consensus"* in the glossary) and are provoking resistance from other players.

4. The process is not totally new: globalisation is a stage in the development of capitalism; this stage has certain new characteristics (such as telecommunications and the increased power of finance) and certain regressive aspects (deregulation), however it is basically prolonging the development of capitalism. *To be properly understood, globalisation must be situated within the history of capitalism, which has not ended yet ... That is what we shall be doing in the next three chapters.*

1.4

Stage 1: 1840 – 1920

Workers faced by unbridled capitalism

■ A new class is born of two revolutions

The **industrial** revolution (characterised by steam engines, railways, etc.) began at the end of the 18th century, in European countries and in North America. That revolution was compounded by **political** revolutions (French, British, Declaration of Independence in the United States, etc.). The result was a concentration on, and very sharp increase in production and forms of transport, and the overthrow of the former social order (feudal or corporatist), giving rise to a new social class, the industrial and merchant bourgeoisie. Replacing the aristocracy, this class began to occupy a new dominant position.

Investing start-up capital in industry became the new way to make a fortune; doing so required putting to work the sorts of people who were previously craftsmen, small farmers, etc. Life in rural areas was tough, particularly when the privatisation of public property became a widespread practice. So rural workers left the land and moved to towns and cities to find work.

This in turn led to unbridled capitalism, a system providing for total exploitation of the whole working class: men, women and children (as young as 5 or 6 years old). Working and living conditions were inhumane, with long working days (of 12-14 hours), extremely low wages, insecure and irregular work, and the development of slums, etc.

■ Building 'nation states' to serve the industrial middle class

The 19th century was also the period which saw the consolidation of nation states in Europe and North America. To enable capitalism to flourish during this first stage, there was a need for a state which could keep order, provide countries with infrastructures (railways) and support exports through colonial policy.

The states of the 19th century had little in common with the "welfare state" that was to emerge in the latter half of the 20th century. Democracy was limited (and basically the preserve of wealthy men), governments did not get involved in industrial relations and interventions in labour conflicts were principally aimed at keeping order and preserving the sacred rights of private property.

These states competed fiercely with one another for access to colonial markets and in protection of their domestic markets: the huge wars of the 20th century evolved from the economic war of unrestrained liberalism which characterised the 19th century.

■ The slow emergence of an organised working class

Throughout the 19th century, there was a very wide spectrum of working people, who comprised rural labourers, craftsmen, factory workers (male and female), child labourers, the unemployed, day labourers, home workers, etc. Coalitions between workers were difficult, especially since they were banned until the early 1880s and severely repressed. Solidarity-based movements progressively increased, however, and grew stronger: mutual aid societies were introduced for sharing the cost of death, burials, sickness, occupational accidents, provision of loans, etc. These were followed by cooperative-type structures which produced affordable goods, thereby facilitating consumption. The links to the world of work were very close: widows' and orphans' funds were set up owing to the high number of fatal occupational accidents and cooperative workshops helped ensure survival during prohibited strikes, lock-outs, shutdowns, etc.

All these activities would play an essential role in the social transformation movement and were schools for collective action.

"These forms of organisation preceded trade unionism. They taught workers what it means to organise, to take decisions and enforce them, to convince, to keep accounts. But above all, perhaps, they taught them about solidarity."
(Madeleine Reberieux)

This popular social economy was the crucible for labour movements and trade unionism. It was also at the origin of today's social security systems. All these learning experiences were mutually beneficial, including at international level, but it was the demand for reduction of working time that was to unite the labour movement, since it was shared by all the industrialised countries of Europe and the United States.

■ Towards the eight-hour working day

"No one must work more than eight hours a day; eight hours of work, eight hours of rest and eight hours of education." This demand by workers to gain control over their time was the crux of the movement's social, cultural and political project. Throughout the second half of the 19th century, it was the focal point of workers' demands. In the industrialised regions (mining, textiles and glass industries), campaigns in support of the eight-hour day were organised from 1861 onwards. Workers, including women and children, had to work 10 to 12 hour-days, without no weekly or annual rest periods.

This was the cause of the strike at the Mac Cormick factories in 1886 in Chicago. The "ringleaders" were punished: four hangings, one suicide, the others sentenced to life imprisonment. The year 1889 saw the official creation of Labour Day on May 1st. Two Socialist International congresses, meeting in Paris, decided to organise "a major international event, on a fixed date, to make a simultaneous demand to the public authorities in every country and in every town to reduce the working day to eight hours."

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In 1890, the first international demonstration to mark Labour Day was held. Its participants, workers' movements from the United States, France, Belgium, Italy, Great Britain, Germany, Switzerland, Austro-Hungary, Portugal, etc., demanded "eight hours of work, eight hours of rest, eight hours of education; restrictions on women and children's work; the prohibition of night work and the abolition of placement agencies".

This blueprint for society would provide the foundations of the European social heritage, which was to develop throughout the 20th century.

It is clear that this movement, which grew out of the shared experience of exploitation and local solidarity, was also influenced by the theoretical analyses of the workings of capitalism by Marx and other intellectuals, which sparked off a political critical analysis of the new society.

Furthermore, ruthless competition (today we would speak of "competitive-ness") spread internationally to all sectors of activity and gave rise to a strong demand for an international system of social regulation that would guarantee national social progress and protect society from capitalism's cyclical crises.

That long march of nearly 80 years, which started out with some failures, finally gave birth in 1919 to the International Labour Organisation, which, however imperfect and restricted in its scope, marked the beginnings of a political and social regulation of capitalism.

At the same time, trade union organisations were gradually being recognised at national level. They will play the leading role in the next stage.

1.5

Stage 2 (1920 - 1970)

■ From the founding of the ILO to the Philadelphia Declaration: towards national regulation of capitalism 1918: two blueprints for civilisation

From the middle of the 19th century, Marx and others accurately described the principles underpinning the rise of capitalism.

1. Every holder of capital wants to accumulate more capital and to do so has to strive for ever higher profits.
2. Every enterprise aims to expand unceasingly, by taking over or eliminating its competitors.
3. All enterprises want to extend their market beyond their borders.

Faced with this, the labour movement put forward three corresponding 'projects' for worker emancipation:

1. Every worker wants to guarantee a secure existence, principally through better wages (sharing of added value) and then through social security, which guarantees a "continued wage" even without having a job. This is the labour movement's social project.
2. Every worker wants to have a say in the state (hence the workers' struggle for universal suffrage), and also wants the state to have an influence on the economy and social affairs! This is the labour movement's political project.
3. No worker is on earth merely to work... They want the right to rest, to education, to a family life, to enjoy arts and recreation... This is the labour movement's cultural project.

The situation following World War One gave the labour movement new strength and created an unprecedented balance of power. This resulted from:

- The democratic aspirations of peoples who were massacred on the frontline.
- the "Bolshevik" threat following the revolution of 1917 and fears of "contagion" in Europe and North America.

As a result, recognition of trade unions and democratic aspirations (universal suffrage was introduced, though was often restricted to men) grew in most countries.

■ 1944: The Philadelphia Consensus

Following the financial crash of 1929, the continuing crisis in the 1930s demonstrated that capitalism was incapable of regulating its own operations and growth, or indeed safeguarding its own interests.

This crisis had very important consequences in many areas:

- Considerable social regression in the industrialised nations (mass unemployment, poverty).

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- Economic crisis: halt or slowdown of production of goods or services, bankruptcies. Owing to low or non-existent purchasing power, domestic consumption collapsed.
- Political crisis: whilst the social regression produced some positive measures (e.g. the Keynesian New Deal in North America and the social reforms of 1936 in Europe), it also brought to the fore authoritarian solutions and the repression of labour movements. Fascism took hold in Italy, Germany, Spain, Portugal, Japan and other countries in Central Europe.
- War (1939-1945): the Second World War was born in Europe and had a catalogue of horrors (such as the mass bombing of densely populated cities, the first use of the atomic bomb, the radical repression of resistance fighters and members of the opposition, and the abolition of civil, political and trade union rights). Concentration camps were established for opponents and resistance fighters, and there was the genocide of the Jewish people and of gypsies.

This expansion of barbarity in every region of the world had annihilated democratic practices and freedoms, together with numerous social achievements, so there was a need for alternative democratic and social policies, pursued by states governed by the rule of law, which had survived despite the failure of the League of Nations, created in the wake of the First World War (1914-1918).

So a group of intellectuals, political and social leaders, trade unionists, armed resistance fighters, and a small team from the ILO Secretariat which had sought refuge in Quebec, set about analysing the causes and consequences of the multi-faceted crisis of the irresponsible and incompetent capitalist system. They proposed national and international measures for repairing the huge material, economic and social damage and ensuring improved political, economic and social security.

■ **This is what was known as the Philadelphia consensus and represented a triumph for the notion of international economic and social regulation.**

This consensus gave rise to the United Nations, whose Charter sets out its principles, mandate and operating methods.

Two texts set out these principles:

- The Universal Declaration of Human Rights (UN - 1948).
(see Part 1.1 of this document and the "UN" glossary item)
- The Philadelphia Declaration (ILO - 1944), which states, inter alia, that:
"All human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity; the attainment of the conditions in which this shall be possible must constitute the central aim of national and international policy."

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This Declaration enshrines a number of vital principles:

- **Labour is not a commodity.**
- **Freedom of expression and of association are essential to sustained progress**
- **Poverty anywhere constitutes a danger to prosperity everywhere.**

The Philadelphia consensus may be summarized as follows:

- The social dimension is considered as an indispensable complement to the economy.
- The market is seen in a negative light; it is incapable of self-regulation (crash of 1929) and evolves in an imperfect system of competition. It acts short-sightedly.
- In contrast a democratic state must have the scope for action. The state must intervene to regulate the market and to arbitrate between conflicting interests.

It is the custodian of the general good and the guarantor of dignity for all persons living on its territory.

- Societies are centred on the fundamental opposition between management and trade unions, representing workers. Social protection needs to be built onto paid employment.
- Trade unions are the natural representatives of civil society. Mutual relations and collective bargaining between unions and employers' associations are characteristic of a progressive society. The state is also the mediator between the opposing interests of capital and labour and it must promote economic and social development.
- Full employment is possible, based on macro-economic management by the state. Social measures alleviate social crises and help promote growth.
- Balancing the economic and social dimensions, the European Coal and Steel Community provided the wherewithal to ensure peace, help rebuild a region destroyed by war and re-launch the economy, and formed the basis for European integration.

As attested in the tripartite structure of the ILO, dialogue and negotiations between states, representatives of capital and representatives of labour can guarantee economic and social progress at national and international level.

■ **Military peace, monetary peace**

It is important to keep in mind two other components of the agreements that marked the end of the Second World War:

- The creation of the UN, its Charter and its security system reflected a very serious attempt to "ban war". For the first time, (almost) all states in the world gave an undertaking not to use force without the authorisation of the Security Council. Admittedly, these lofty principles would not prevent the

"dirty wars" provoked by the secret services, and the Cold War multiplied regional conflicts, which were exploited by the major powers. The principle had nevertheless been laid down: war is illegal and can only be used in exceptional circumstances, as a last resort, and with a mandate from the Organisation.

- The Bretton Woods monetary agreements: a currency can also be used as a weapon, which is why the Member States decided in 1944 to create an international system for currency regulation and to prevent monetary crises, taking the US dollar as its standard. The United States was the only world power to emerge strengthened from World War Two. It intended to use its power as the basis for its commercial domination. So the choice of its currency as the reference was very helpful. But in exchange, the United States made an undertaking at the time to maintain the convertibility of the dollar, and as a result the dollar is legal tender worldwide; this undertaking was to be broken in 1971.

■ 1944-1970: development of the welfare state at national level

At this time Keynesian policies inspired all the economic and social policies of the industrialised nations, including the United States. That meant that everyone (on the "right" or "left") accepted, with predictable subtle variations, the notion that government and the state have an active role to play in the economy, so as to ensure:

- A secure existence for all.
- A comparatively equal sharing of the wealth produced.
- Full employment (i.e. ensuring that there are more jobs than job seekers).
- Social protection.
- Access to education and culture for all.

In Western Europe in particular, large-scale social reforms achieved these objectives in large measure (with the extension of social security to all, a significant improvement in the right to work and social rights and the emergence of some economic democratisation via works councils and workers' representatives). These reforms were secured through social agreements between the representatives of capital and workers, under the auspices of the state.

Industrial relations systems and joint committees of varying scope prevented social conflicts or kept them under control.

The instruments of these reforms were primarily social security, the public services (i.e. tax systems) and industrial relations systems that recognised the role of unions.

These instruments took different forms in different European countries, based on the history and specific characteristics of each. However, taken together they definitely amounted to a "European social heritage"*. The systems developed until the mid-1970s, since when there have been increasing problems and flaws.

■ At international level: the end of colonies, trade unions divided in a divided world

At the end of World War Two, the economic and industrial domination of the United States was established. It put an end to the long period of British supremacy, based partly on its few years' head start in the industrial revolution and its unparalleled colonial empire.

The interests of the United States (temporarily) coincided with those of the peoples of "dependent" nations in Asia and Africa, which were demanding political independence and the end of colonialism. Before joining the war effort on the side of the Allies, the United States obtained a commitment in principle that colonialism would be ended, thereby placing them at a disadvantage. The former colonies obtained their independence progressively, often after violent confrontations (wars in Indochina, Vietnam, Algeria, Congo, Portuguese-speaking Africa, etc.).

As part of the same movement, starting with the Bandoeng Conference (1964) the peoples of the Third World began demanding support for their economic and social development, through the negotiation of a new world economic and social order.

However the industrialised nations echoed their economic and business sectors, which rejected structural reforms (fairer trade, appropriate and stable prices for raw materials, satisfaction of peoples' basic needs, promotion of employment worldwide, democratic management of new technologies). The negotiations (on raw materials, a global employment programme and fair access to information technologies) broke down.

From 1948, the Cold War had established a bipolar world between Moscow and Washington and accelerated an insane arms race and the subjugation of states allied to Washington or Moscow, including in international and national trade union structures.

In the context of the Cold War, national security policies, especially in Latin America, brought to the fore violent dictatorships (military powers) that crushed all opposition by progressive, trade union or political forces under the banner of "combating Communism" and guaranteeing free enterprise and free trade.

Nationalisations, including in key sectors, were abolished. From 1973, the Chicago-based neo-liberal school used Chile, first, as a laboratory, for example in the privatisation of social security.

Trade union divisions were heightened in the industrialised countries as a consequence of the Cold War, though especially through the acceptance or rejection of the notion of integrating workers and their organisations in the capitalist system of production and consumption. Two major international trade union organisations competed with one another (see glossary: *): the Communist WFTU and the "Social Democratic" ICFTU; a number of unions

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grouped together to form the WCL, which has "Social Christian" roots; and lastly, some other unions refused to line up behind either of the two big families and remained "non-affiliated".

■ The Philadelphia consensus begins to crack

It is a fact that from 1950 to 1980 the rise in the standard of living in the industrialised countries, albeit incomplete and unequal, was indeed substantial. The Fordist and Social Democrat compromise seemed to be working: purchasing power was growing in exchange for docility and acceptance of the system. From the mid-1960s, however, as social struggles continued over how to share the wealth produced, the capitalist system and its imperialist leanings found themselves coming under challenge on at least three fronts.

• Cultural challenge: May 68

Mass production and the Taylorist division of labour was challenged, i.e. the hierarchical organisation of labour, the exploitation of the unskilled in piece-meal ("bitty") work, etc..

Further, the May 1968 revolt against the materialistic consumer society challenged the objectives of market-oriented production.

• Feminist challenge

Since the beginnings of industrial capitalism, women had played the role of "adjustment factors": after being called on to provide the extra workforce needed during wars or periods of strong growth, they were frequently sent back to their housekeeping role when it suited the interests of enterprises and male workers. In the factories, they were confined to subordinate and badly paid jobs; at home they continued to bear the greater part of the burden of keeping the household running (housework, though also complementary earnings to make ends meet). Universal suffrage was extended to women in all countries after 1945, and with the long cultural struggle of feminists bearing fruit.

• Anti-imperialist challenge

With the war in Vietnam, the awareness of imperialism crystallized in the United States, just as the war in Algeria had triggered support among French young people for internationalism and peoples' right to self-determination.

In parallel with this threefold challenge to capitalism major changes arose from the introduction of new technologies and their consequences on work organisation and the international division of labour. Restructuring became widespread in certain sectors, such as the textiles, footwear and electronic components industries. This marked the start of the deregulation of labour and the weakening of collective agreements.

Everything was set for a counterattack marking the revenge of capitalism.

1.6

Stage 3 (1970 – 2000)

■ **From the “dollar shock” to the Washington consensus: the globalisation of financial capitalism and deregulation**

Having kept a low profile since 1944, business interests launched an offensive (between 1962 and 1990) aimed at winning back what the Philadelphia compromise had caused them to lose in the balance of power.

■ **The dollar as a weapon**

The Nixon dollar was used as a combat weapon. States’ legislative, social and taxation powers were circumvented and trade unions were destabilised by their internal divisions and the weakening of their position in the balance of power. The imposition of “soft law” at the OECD and the ILO loosened the United Nations’ binding control over multinationals and paved the way for employers to challenge binding social standards.

Certain states became dependent on others again, as a result of unjust terms of trade (their exports depreciated as imports became more expensive). Debt meant a loss of control over policy, aggravated by the structural adjustments imposed by the IMF and the World Bank to reduce state budgets, leading to the bankruptcy of health and education systems and crippling public support for labour, since labour codes were deemed harmful to economic development.

■ **The Washington Consensus... or the triumph of the neo-liberal ideology**

The last two decades of the 20th century saw the unfolding of a process that appeared to be a complete reversal of the Philadelphia consensus. Those enforcing the regulations underpinning that consensus seemed totally debilitated.

- Workers' representatives were primarily victims of the increase in mass unemployment, which made employees insecure, rendered collective action problematic, and weakened social protection. In addition, many trade union organisations took a long time to understand what was really happening in the 70s and 80s. Rather than a crisis, this was actually a fundamental change of regime, a "counter revolution", or what we are now calling "globalisation".
- For their part, states seemed obliged to take into account the interests of markets rather than those of their people. In fact, a close examination of the key policy decisions taken in the 80s shows that states too, to a very large extent, willingly relinquished power, based on the conviction that the market was the best possible form of regulation. Capital markets were completely liberalised, for instance, as states surrendered their ability to control the financial giants, which are now laying down the law.

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At the start of 1990, state-controlled Socialist systems collapsed in Central and Eastern Europe and throughout the USSR. Undermined from within by their own fictions and bureaucratic repression, operating on behalf of the working class yet economically powerless, these systems disintegrated.

Economic and financial groups accumulated capital, concentrated and extended their powers and expanded across borders. This was the age of capitalist globalisation. Capitalism and the neo-liberal ideology seemed to have no rivals, and there did not appear to be any alternative.

"There is something deeply unhealthy about liberalism's cry of global triumph" K. Kieslowski, Polish film maker

The 1990s also marked the failure of the two opposing strategies of the labour movement, which had emerged at the end of the 19th century in Europe and been the source of dispute between reformists and revolutionaries:

- The anti-capitalism strategy, which was incapable of creating viable societies in the absence of a truly democratic socialism. Workers' revolts, from 1953 in East Berlin to 1980-1990 in Poland, Hungary, Czechoslovakia and elsewhere, were ignored by the self-proclaimed leaders of the working class.
- The reform strategy (the successes of which had been clear for several decades) proved unable to give a social and human face to the globalised economy. Weakened and disabled states, faced with the manoeuvrings of the business world, adopted a "laissez faire" approach. Progressive political forces allowed themselves to slide into intellectual and political lethargy.

What are the principal characteristics of the Washington consensus?

Firstly, a set of ideological assumptions:

- The market is the best mechanism for the distribution of wealth. Growth benefits everyone, including the poor. Market forces simply have to be unleashed for wealth to be created, which in turn leads to a general increase in the standard of living.
- The political and administrative elite abuse their position and limit the expansion of markets. Private institutions, profit-making or non-profit-making, are more efficient and less corrupt than public institutions.
- Public enterprises and services have to be privatised. In the area of social protection, priority must be given to private insurance schemes and competition must be fostered between service providers.
- Society is composed not of classes but of individuals, even though there are degrees of wealth and influence and a polarisation of societies between privileged and underprivileged groups. Public social policies must help the disadvantaged to become more autonomous (e.g. World Bank strategies for eradicating poverty). Policies of aid for the poor and victims must primarily

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be implemented by NGOs. Trade unions are suspected of favouring entrenched privileges (labour market rigidities, defence of obsolete social rights, corporatism, etc.).

- Workers' social protection policies (social rights, promotion of decent and fair employment, promotion of social protection systems based on redistribution and solidarity) defended by the International Labour Organisation (ILO) are considered obstacles to growth, market development and the competitiveness of companies. Employers thus call into question the ILO's system of standards and its financial asphyxia, supported by numerous ILO member countries, convinced of the soundness of market values.
- ILO standards, which are non-binding, are weakened by binding commercial or financial standards (WTO, IMF, World Bank, World Intellectual Property Organisation).

Competitiveness* becomes the driving force of economic and commercial development, and is intended to guarantee the fundamental values of globalised capitalism: private property, free enterprise and free trade.

Competitiveness has also always had the advantage of encouraging competition between individuals (with winners encouraged and losers to be pitied).

Competitiveness also discourages solidarity and facilitates disputes between workers.

Corporate social responsibility becomes essential and is presented as a means of self-regulation for companies, thereby allowing for the weakening of (tax and social) legislation and of collective provisions.

Companies are primarily responsible for the interests of shareholders.

The Washington consensus is also a set of principles intended to guide economic policy in all countries, particularly the developing nations:

- Restoring tax discipline by reducing public deficits (structural adjustments) in the administration, in subsidies for state enterprises and for consumer goods.
- Broadening the tax base on consumer goods whilst setting a marginal low rate for private enterprises.
- Completing the liberalisation of services (GATS) and financial markets.
- Establishing a real exchange rate compatible with the development of export sectors.
- Lowering customs tariffs and abolishing barriers to foreign investment.
- Privatising national enterprises and deregulating the economy.
- Strengthening property rights.

Times change

The International Labour Organisation (ILO) was created in 1919, under the framework of the Versailles Treaty. Its creation had been sought since the middle of the 19th century by the labour movement, scientists, economists and parliamentarians, who considered international legislation protecting workers to be vital since "the trend towards free trade will make competition increasingly cut-throat and ruinous". (D. LeGrand, industrialist – 1853)

The ILO Constitution asserted in 1919 that "the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries".

Thus, at the end of the 19th century, social rules were seen as essential in the face of the "ruthless competition" between industrialised countries.

At the end of the 20th century, "competitiveness" was given free play through deregulation, the weakening of social law, restraints on trade union freedom, etc.

So had the "truth" from the end of the 19th century turned into heresy by the end of the 20th??

■ The failure of the Washington consensus.

The birth of the "alterglobalisation" movement. And afterwards?

Are we at a turning point, at the start of a new stage?

- The Director Generals of the IMF and the World Bank have said as much: "The Washington consensus is dead." But as there is nothing to replace it, its ideology and its recommendations are still in force. It is a fact, however, that the virtues ascribed to neo-liberalism have not worked. On the contrary, the world is steeped in disorder, violent tensions, intolerance and religious fundamentalism.
- The promise that everyone would benefit from globalisation, including the poor, is proving to be a hoax. The recommendations of the Washington consensus have brought neither economic nor social development. On the contrary, they have created severe inequalities in every country (including the industrialised world) and between countries. Debt, unjust but maintained, is strangling the economic and social expansion of Third World countries. Structural adjustment and so-called poverty-reduction strategies are producing the opposite of their stated objectives and keeping peoples in dependency and need.
- Globalised capitalism is proving incapable of regulating its own development or ensuring sustainable development and is making all societies dangerous, owing to its failure to set itself social and humanitarian goals while wealth accumulates. Technologies have a fantastic potential but this is not released, since they are kept in the grasp of the multinational financial groups that control them.

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Under pressure to provide the huge profits demanded by financial interests, many companies in Europe and the United States have resorted to fraud to fiddle the balance sheets, and to withholding information to reassure markets and shareholders by keeping share levels high.

- Growing protests and criticism by many "alterglobalisation" and trade union groups, working in networks across every continent, are weakening the economic objectives and models advocated by the Washington consensus.

This protest is extending to all circles and humanists of every persuasion, who are alienated by the sacred mantra of the market and profits. Alternatives are being built and resistance is growing and strengthening, not least in the hostile environment and achievements of popular, social and solidarity-based economies.

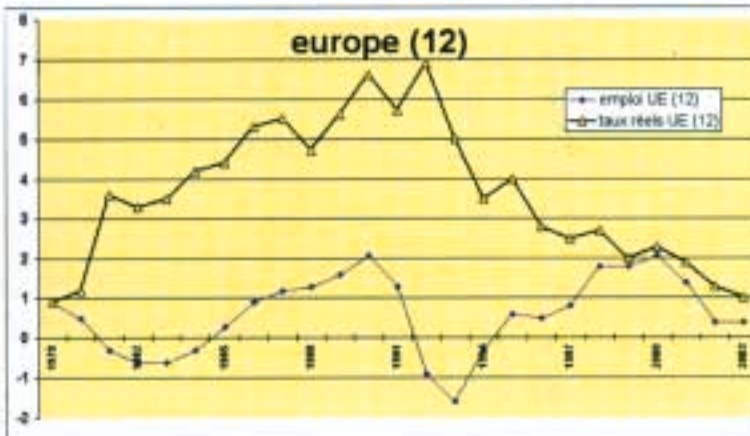


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In fact, global capitalism is caught up in a major contradiction - the vicious circle created by its conflicting objectives.

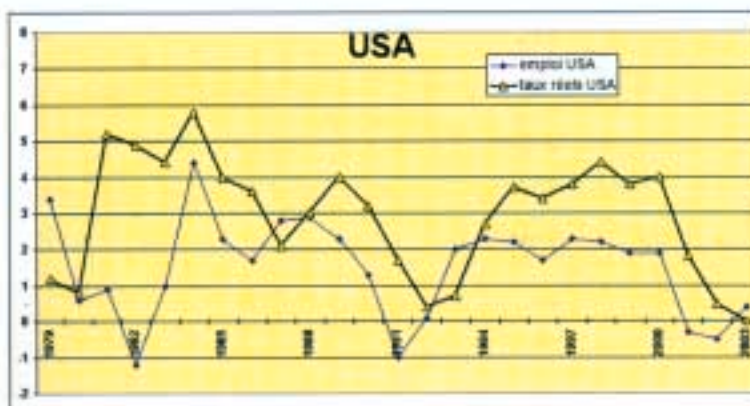
- On the one hand, since regulation is entrusted to markets and competitiveness is seen as sacred, purchasing power is falling, either through wage moderation or through the low level of social benefits. Where purchasing power is non-existent or very low, it is failing to rise. The result is that the majority of the world's workers cannot spend enough to guarantee their well-being, or even to meet their basic needs. And this is undermining growth.
- On the other hand, companies want to expand by selling their goods and services. This is a pressing need. Media hype and various schemes (such as the opening of hypermarkets on Sunday, longer opening hours, reduction of state social security benefits, and private insurance and unemployment schemes) are not improving overall purchasing power and are creating deep frustration, especially amongst young people, who are persuaded that "consuming is living" but are prevented from doing so by their lack of purchasing power.



UNION EUROPÉENNE

Une politique monétaire dogmatique: les taux d'intérêts restent élevés même quand la croissance de l'emploi est basse (années 80); quand l'emploi s'effondre (92-93; 2002-2003), les taux descendent très peu et très tard.

Qui en profite? Uniquement les rentiers qui vivent de leur épargne.



USA

Une politique monétaire pragmatique: les taux d'intérêts suivent rapidement les évolutions de l'emploi; quand la croissance de l'emploi est négative ou presque nulle (91-92; 2001-2002), les taux d'intérêts réels descendent en dessous de 1%.

Qui en profite? Les entreprises et les travailleurs.

1.7

Europe and globalisation: an ambivalent relationship



Europe's approach to the globalisation we have briefly outlined above is ambivalent, giving rise to conflicting and often impassioned reactions. Even among trade union and progressive activists, one will claim to defend "Europe", praising its success in peaceful political construction and suppression of nationalism, whilst another will blame the many examples of social regression on "Brussels".

For some, Europe is our best rampart against globalisation, because it gives economic strength to our social model; for others, the European Union is a driving force of capitalist globalisation, as reflected in the stances it takes in the WTO, the IMF and other bodies.

So where does the truth lie between these two views?

In fact, the term "Europe" covers not one but two very different notions, with separate histories.

- Firstly there has been a social construction "project", rooted in the mighty struggles of the 19th century (point 1.3) and achieved in large measure between 1944 and 1980 (point 1.4). This social struggle for equality, justice and freedom formed the basis for what we will be calling our "Social heritage"*: a rich store of collective rights that make up our finest heritage, which we are duty bound to improve ready for passing on to our children.

This "model" is described in more detail in the "European social heritage" glossary item.

- And secondly, there has been a political construction project, which was originally known as the "European Economic Communities" (EEC) before becoming the European Union, which now has 25 members. This political construction has been deeply marked, however, by the predominance of the economic dimension over its political and social counterparts and by a liberal view of the economy and of the role of the state. This philosophy has been present since the Treaty of Rome (1957), but it has become stronger over time, particularly with the Treaty of Maastricht*.

This political construction, whose merits are real at certain levels, but which to date has weakened our social heritage rather than consolidating it, is described in detail in the "European Union" glossary item.

■ An ambivalent construction

Having learnt from the consequences of the deep and multi-faceted crisis of the 1930s resulting from the crisis of capitalism, the European countries were keen to build their unity and cooperation within the framework of the Philadelphia Consensus* (1948). Two institutions were developed in parallel:

- The Council of Europe* (based in Strasbourg), which has encouraged the establishment of democratic states based on the rule of law. It has also created instruments guaranteeing civil, political and social rights, both individual and collective. In 2005, the Council of Europe had 46 Member States.
- The European Union* (based in Brussels), which aimed to foster the economic (reconstruction, Community-based coal and steel policy, etc.) and political (democracy, moves towards political union, social progress, etc.) dimensions of European integration. This construction has advanced slowly and painfully (through a combination of the maintenance of state sovereignty and increasing Union powers in the monetary, economic, political and regulatory spheres).

The Union has extended its integration with successive enlargements, though without managing to redefine clearly its fundamental approach towards neo-liberalism and capitalist globalisation.

The European Union is an ambivalent construction. As explained above, it has two faces and there have been discrepancies between its stated aims and their implementation. In any event, the EU is still characterised by a political integration of citizens "equal in dignity and in law" who enjoy rights (in particular as regards equality of treatment and health and safety at work), through which it has contributed to the European social heritage*.

The EU proclaims its attachment to economic and social development and sustainable development in its internal and external policies, whilst all its activi-

ties bear the stamp of technocracy and neo-liberalism. With a policy dominated by monetary priorities, the EU has neglected measures promoting dynamic economic cooperation, growth and employment (which has been worsened by a lack of security and deteriorating working conditions).

Despite some important initiatives (sectoral and cross-sectoral social dialogue* resulting in cross-border collective agreements, the creation of European works councils, the adoption in 2000 of the EU Charter of Fundamental Rights), the EU no longer seems to be resisting the progressive dismantling of the European social heritage* (social protection, collective bargaining, public services and the combating of insecurity and social exclusion).

■ Is the European Union at a turning point?

Enlargement of the Union to include a further 10 states (with 25 members in 2005) and the prospect of a total of 27, 33, or more before long, meant there was a need for effective and democratic procedures (a clarification of the balance between the institutions, the criteria for majority decision-making, the respective powers of Member States and the Union, forms of cooperation, and so on).

The enlargement also called for a clarification of the key principles, objectives and means at the disposal of the European Union, as it embarked on the 21st century, and of its role in the world, for instance. A European Convention of more than 100 members (representatives of national parliaments, the European Parliament, the 25 governments, etc.) prepared a draft Constitutional Treaty, submitted for the approval of the European populations through their Member States. While this text makes improvements and creates opportunities, it remains vague in many areas, which interest above all European citizens (employment, social protection, working conditions, continuing training, etc.). Moreover, the term "constitution" creates confusion: in law, this text is just another Treaty, the status of which is no different from that of the Treaties of Maastricht, Amsterdam or Nice. But the misuse of the word "constitution" adds symbolic weight and creates expectations of democratic progress that the "constitutional" Treaty struggles to live up to.

It may well be that the EU is at a turning point. For a long time, it worked like a machine in depoliticising debates: decisions in "Brussels" were prepared in secret meetings of technocrats and diplomats; the Member States proceeded to ratify them, sometimes taking the opportunity to impose anti-social measures that would not be accepted by the public at home. The peoples of Europe took little interest in decisions taken by the Union, which was seen as an alien body, less important or deserving of political and social attention than national concerns.

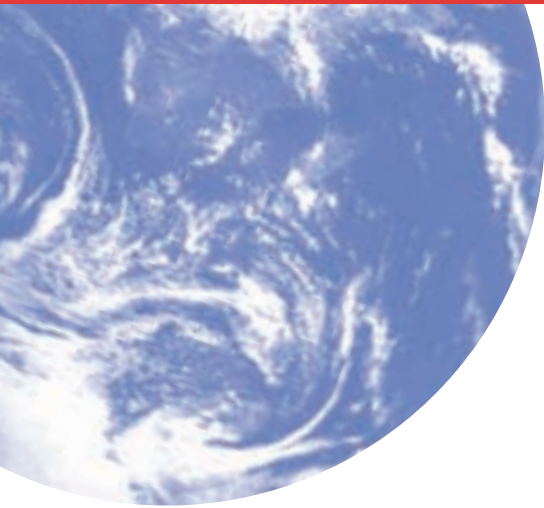
Even matters of such tremendous importance as the single currency and construction of the central banks system were largely regarded as technical issues.

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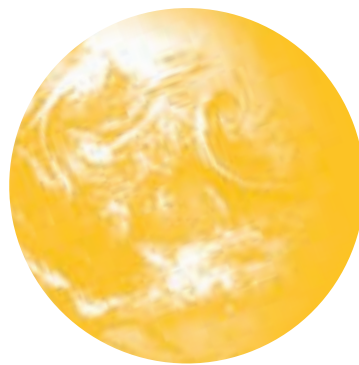
In 2004 and 2005, with the media coverage given to the Constitutional Treaty, though above all with the alarming Bolkestein draft directive*, it would seem that European issues have finally attracted attention from the general public, NGOs, trade unions, etc. This is good news: the European Union will not become the Europe we want, the Europe of our social heritage, unless a strong social movement, coordinated at European level, brings enough pressure to bear.





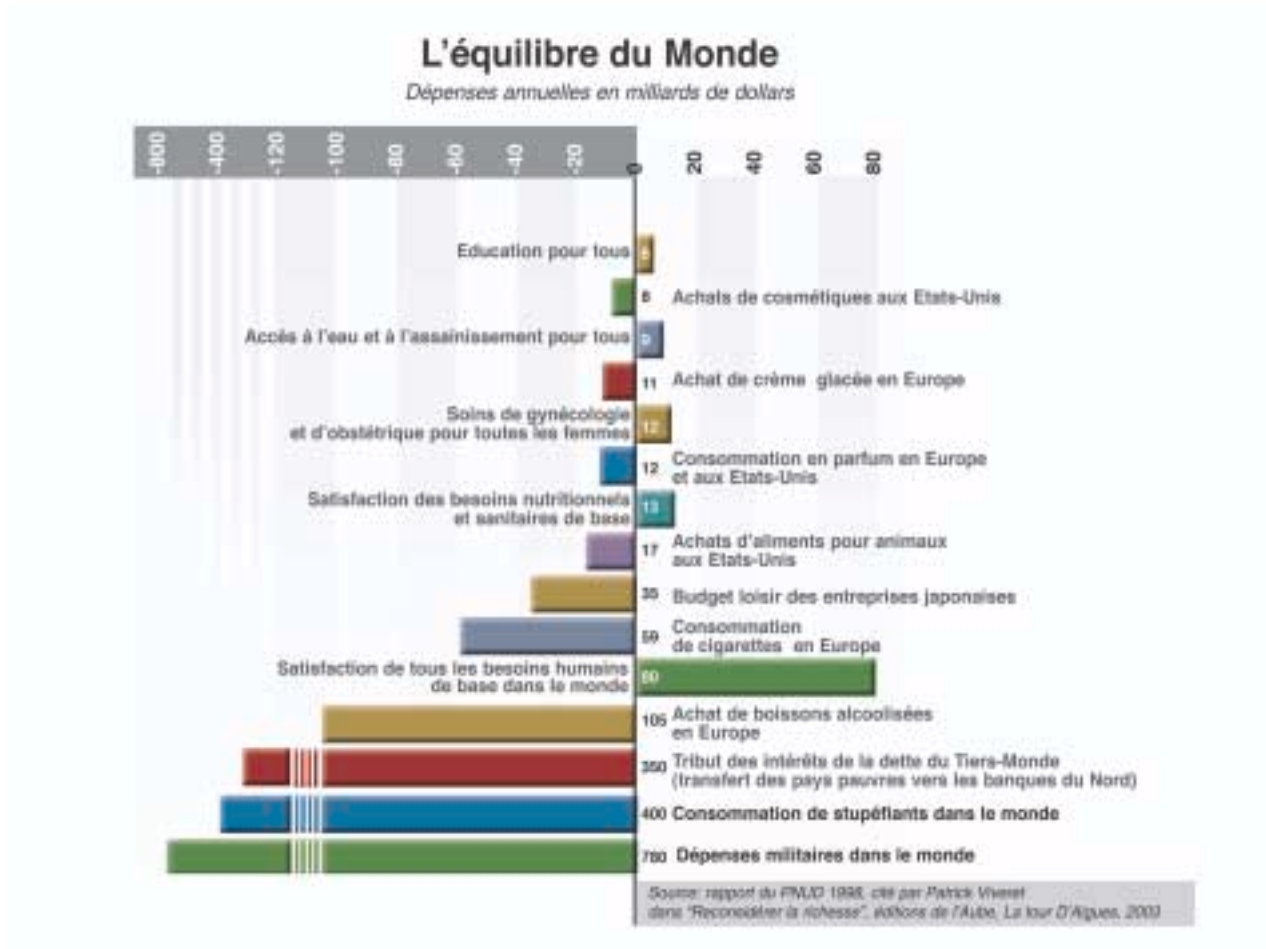
EUROPE AND
GLOBALISATION

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• EUROPE AND GLOBALISATION •



The graph on the preceding page, the "portraits" in the opening pages of this guide, the news we receive and our daily experience all cry out that our world is unfair and inhuman and that there is increasing injustice, poverty and violence.

So on what bases and with what criteria are we to assess the situations and actions we encounter? Fortunately, we do have something to go on: our parents and our predecessors have established a set of principles, which have been partially achieved, are increasingly being flouted but can still guide us.

Conversely, the supporters of globalisation have set out their own set of principles. This short chapter seeks to clarify the "models" of both sides, the two visions of the world that are clashing today.

■ The social state of the world

To appreciate the gap that still exists and is even widening between proclaimed rights and the social realities in the world, it is enough to compare, for each theme, the articles of the Universal Declaration of Human Rights and the corresponding situations, as we did in section 1.2. The evidence, 56 years after

the proclamation of this Declaration, is overwhelming.

In 1995, the United Nations World Summit for Social Development, held in Copenhagen, prepared with great precision, reached the same acknowledgment of failure.

At the conclusion of that Summit, 108 Heads of State or Government agreed on a declaration and a Programme of Action. The 10 very precise commitments they made were aimed at creating an economic, political, social, cultural and legal environment enabling the world's people to achieve social development. The Programme of Action described in detail its objectives and means, often setting target dates.

These included:

- **The eradication of poverty.**
- Achievement of the objective of **full employment**, that should be freely chosen and productive and ensure secure and sustainable livelihoods.
- **Social integration**, solidarity, security, participation **of all people.**
- Full respect for **human dignity** and equality between women and men.
- Universal and equitable access to **quality education** and to the highest attainable standard of physical and mental health.
- Strengthened international and regional cooperation for social development.

In 2005, 10 years on from Copenhagen, none of these objectives has been achieved and little effort has been made.

Recently, the World Commission set up by the ILO, composed of economic leaders, representatives of trade unions, political leaders and intellectuals from the entire world, published a report on the social dimension of globalisation.

The report made the following observations:

- *"Globalisation has immense potentials ... but they have not been realized for most of the world's people."*
- *"This can and must change."*
- *"Economic and social insecurity, found in all societies, creates fear and revolt."*

Many proposals for action were set out in detail in the report's conclusions. The report was the subject of a Resolution adopted by the United Nations General Assembly (29/09/2004).

The Secretary General of the United Nations summarised it as follows:

"The benefits of globalisation have been distributed unequally, with a heavier burden on the side of those who can protect themselves the least. Too many people, in particular in the least developed countries, feel excluded from and threatened by globalisation. They have the impression that they are slaves to the market, whereas the opposite should be the case."

The solutions, according to the United Nations resolution:

"The creation of jobs, the protection of fundamental rights at the workplace, the strengthening of social protection and the enlargement of social dialogue are key elements for a globalisation that encourages not only economic reform but also social progress."

Governments, like most political movements that hold power, appear to be immersed in intellectual lethargy and the inability to act. Of course, from time to time, speeches create an illusion but acts rarely follow.

In fact, governments, especially those of the large industrialised nations of Europe and North America, have accepted, willingly or under duress, the choices of markets. This surrender by states dates back to the period from 1965-1985, when, under the auspices of UNCTAD, ILO and UNESCO, negotiations demanded by Third World countries were undertaken on raw materials, employment, communications, etc. The aim was to find ways and means of building a new international economic and social order which should lead to global structural reforms, fairer trade, access to new technologies and democratic control over multinational companies.

Under pressure from business circles, the public authorities capitulated and gave the markets free rein.

■ The European welfare state: a model?

Europe, though particularly Western European countries, has long been and remains to some extent a privileged region, in which social problems have been addressed positively.

As a result there has even been talk of a "European social model". This is not an appropriate term, however, not least since a succession of national "social models" have simultaneously been advocated: the Nordic, Swedish and German models followed, in 2003-2004, by the Danish model.

The Brazilian, American, and Japanese models have also been advocated at times, though quickly dropped. In fact, the positive aspects have been presented but these often mask negative ones. Moreover, the so-called "models" are so closely linked to the history and culture of the respective countries that they cannot be transposed elsewhere.

We can, however, justifiably lay claim to the existence of a **European social heritage***, i.e. a set of principles and values, rules, rights and guaranteed protections. Of course these principles and rights, though similar, are applied in a variety of ways in the various European countries.

■ Choices are linked to values:

All countries of the world, whether industrialised or not, accept (and often proclaim) certain imperatives:

- competitiveness
- modernise = privatise

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- liberalise
- flexibilities

which in practice are producing:

- austerity
- insecurity
- poverty
- unacceptable inequalities

In every country, governments, political parties, trade unions, civil society, social and cultural players and employers are faced with basic choices:

- either to do everything to support the interests of markets
- or to do everything to support the interests of people

Conflicting values lie behind these choices.

Neo-liberal values

- competition between individuals
- competitiveness between firms and sectors (causing struggles between workers)
- glorification of individual success
- money as the key criterion
- labour and people become commodities

Liberating human values

- all human beings have equal dignity and rights
- social justice, which ensures peace
- solidarity
- participatory democracy

So the choice is between sets of values:

- those of neo-liberalism, which progressively lead to military security as a result of economic and social insecurity,
- or those of humanism and social justice, which lead to economic and social security.

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- 1 **Information**
- 2 **Resistance**
- 3 **Fundamental rights**
- 4 **Forging ahead with new rights**
- 5 **Committing to a different kind of Europe**
- 6 Building up a European and an international trade union presence
 - a. EWCs
 - b. World union committees
 - c. Showing solidarity with threatened union activists
- 7 **Four top priorities for taking action**
 - a. European jobs that are decent, fair and recognised.
 - b. The future of social security in Europe
 - c. Europe's contribution towards the democratisation of the global economy
 - d. An immigration policy that promotes justice and freedom
- 8 **Are unions capable of developing such actions today?**
- 9 **Seven questions raised by globalisation**

What needs to be done?

Acting is never easy, and taking action against the backdrop of globalisation is even more difficult. At the very least, we mustn't let anyone pull the wool over our eyes. We must analyse actual situations, national and European policies and the way in which companies and business people behave on the basis of our own values.

To do this, we need to perform a comprehensive analysis of the actual situation and come up with some universal alternatives. Then, in keeping with this universal mindset, we need to take action locally, where we live and work.

The Portuguese author Miguel Torga was once asked: "What does universal mean?", to which he replied: "Universal? It means local without the walls".

There are various lines of action to pursue. History is full of them, and the young anti-globalisation movement is trying out new variants. Our aim in this brochure is to quickly run through what seem to be the main paths open to European trade unionists. Our list is not exhaustive, and no doubt you will add to it by drawing conclusions from your own experiences.

3.1

Get informed, inform others and clearly delineate the debate

■ Ideas have consequences

What kind of ideas have consequences? Not all ideas, not mere abstractions, not the ideas of a solitary dreamer, but strong ideas that arise from debate and facing up to actual experience, ideas that are voiced together and over the long term. These are the kinds of ideas with consequences, just like the awful consequences of the neo-liberal ideas formulated in the late 1940s by a small group of people. Those ideas were constantly reiterated, spread in universities, in the media and in political parties until in the 1970s – courtesy of the crisis – they came to be regarded as all there was, the only possible response.

Consequently it is essential that we devote a little time, as unionists and as organisations, to examining the ideas currently in vogue and to improving and expressing our own ideas. Trade unions must serve their members, protect them and defend their material interests. But that won't be possible without also continuing our efforts to educate and explain things to people. Because unless we do that, we will be condemning ourselves to act in an increasingly hostile context, and moreover in a situation in which the neo-liberal ideas of widespread competition, rejection of the (nation) state, public services and joint action appear more and more self-evident.

■ Merchandising of the media

Over the last 20 years, the media world* has been shaped by two major developments:

1. The economic concentration of most media, entailing both horizontal concentration (between countries) and vertical concentration (between different media and professions) within industrial or financial groups whose desire to disseminate information is neither their main profession, nor their primary interest. This trend makes it very difficult to disseminate objective information on the true nature of globalisation and social conflicts, for the proprietors of the mass media are virtually all linked, sometimes closely, to the 'consortium' of actors who are steering globalisation to their own benefit.
2. The development of electronic communications, enabling information to be circulated in all its forms (text, audio, images) very rapidly and at low cost. All unions now have their own website; more and more are distributing electronic newsletters, organising discussion groups, publishing 'blogs' and so on. But this profusion simply means that there is too much information available, and information of extremely varied value at that. However, at least it is possible to communicate and publish material at little cost.

In this context, the trade union press and that of associations both play a key role, whether published in electronic form or on paper. We continue to need public media that are as democratic and honest as possible, but we must also speak directly to our members: Europe's citizens are increasingly well educated, and they are calling for clear, independent information about what goes on in the world.

■ Discussing globalisation

Where globalisation is concerned, this need to inform and be informed is coming up against an overabundance of chatter, fuzzy concepts, the problem of grasping technical concepts, and so forth. This text and the glossary that accompanies it, are intended to simplify these debates, and to gear them to major issues of importance to the trade union movement.

The two 'models' of thought and judgement presented in part II (Making judgements) must help us to find our feet in discussions with other unions, with NGOs, anti-globalisation movements, parties and governments. If one thing is certain, it is that today, in the 21st century, the world's destiny lies in everybody's hands, that European trade unionists must have their say, including when it comes to dealing with global issues that are increasingly determining our local situations.

■ Also bottom-up

A final point to be made in this part on information is that unions consist of members and militants, not 'customers'. That is our strength, lest we forget it: debate must fire up our organisations from the inside as well, based on the

know-how derived by our members from their experience as workers and activists. Organisations sometimes need to send clear messages from the “top”, but debates should also enable a “bottom-up” flow of information and views.

3.2

Stepping up action and resistance to false values

This is no easy matter, since every society and person has been influenced by these false values, at school, at university and in companies. The written and visual media transmit these 'values' via the news and through advertisements which imply that 'existing means consuming'. Meanwhile, people both young and old are falling under the sway of brands (shoes, clothing, equipment, cultural products).

In such a situation, we must make the most of every local alternative that has been found, every small victory, and every example of resistance.

3.3

Ensure that rights are applied at home and everywhere else

■ **Individual rights are collective rights**

The texts defining fundamental rights are a tremendous legacy of the 20th century. They were passionately debated, painstakingly formulated and supported by helpful technical provisions. It would be a serious mistake to neglect or disparage them on the grounds that they are being widely flouted (see point 1.2).

It would also be a grave error to believe that our rights in Europe can be separated from the rights of men and women throughout the world. There is no 'competition' over rights, with the gains of one group being secured at the expense of another group – on the contrary:

- When workers in the South or East secure rights (a better salary, shorter working hours, social security, and so on) it is good for us too because it irons out inequalities, reduces the likelihood of fiscal dumping, creates wealth in those places thereby preventing violence and forced migration and feeding global consumption, and also undermines the 'arguments' used by multinationals seeking to erode our rights.
- Looking at it the other way round, when we defend and extend our own rights, our counterparts in the South see that they benefit too, for in a way their standards of living and working also depend on what happens in the

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North, and they often aspire to our levels of rights. Hence any loss of rights here is also a defeat for them.

■ Activating four systems of rights

If we are to protect our rights, we must know the texts on which they are based and the mechanisms that can be used to defend them. In every European country there are at least four rights systems in force:

- **The system of the International Labour Organisation.** (179 countries)
- **The rights system of the Council of Europe.** (45 countries)
- **Charter of Fundamental Rights of the European Union.** (25 countries)
- **National constitutions and social legislation.**

1. Fundamental social rights of the ILO. (International Labour Organisation)

Since 1998, eight ILO conventions have been considered as fundamental rights that have to be applied in all (179) ILO member countries:

- Freedom of association: Convention no. 87
- Right to organise and collective bargaining: Convention no. 98
- Ban on forced labour: Conventions nos. 29 and 105
- Equal opportunities and discrimination: Conventions nos. 100 and 111
- The humanisation and gradual elimination of child labour, which imperils their growth or is an assault on their dignity: Convention no. 182.

These measures are controlled by public monitoring. These fundamental social rights ought to be complemented by another right on social protection.

There are also another 70 or so conventions in application covering a very wide range of areas: health, safety at work, social security, migrant workers, seamen, labour inspection, the employment of women, maternity protection, professional relations, working conditions, and so on.

Recommendation: With the unions, contact your labour ministry to find out about the level of ratification of ILO conventions in your country. If there are any gaps in ratification, take appropriate action. For example, many EU Member States have not ratified the ILO conventions on health and safety at work. The ILO's standardisation system is very seriously monitored by a committee of independent lawyers and a tripartite committee of the International Labour Conference. Various types of complaint can be lodged if conventions are violated, especially those concerning trade union freedoms.

2. The rights system of the Council of Europe (45 member states)

This comprises two instruments:

- The European Convention on Human Rights (ECHR)

The ECHR is mandatory for all the member states of the Council of Europe,

and primarily concerns political and civil liberties and justice (including a ban on the death penalty).

The Convention has a court of justice (in Strasbourg) to which individuals can appeal if they believe that one of their rights has not been respected by their particular member state.

- The (revised) European Social Charter

The European Social Charter has complemented the European Convention on Human Rights since 1961. However, the Charter has been revised and greatly improved since 1992, under the name "Revised European Social Charter" (1996). This charter covers most areas of labour law, established by ILO Conventions, often providing more specific notions. The revision enabled some complementary rights to be added (family and children's rights, rights of migrant workers, protection of elected delegates, the right to housing and the right to protection against social exclusion).

This instrument is monitored by two committees:

- A committee of independent legal experts that verifies whether or not national practices and legislation comply with the articles of the Charter.
- A government committee. All countries that have signed up to the Charter and European employers' and workers' representatives (ETUC) examine the legal specialists' report and propose that the Committee of Ministers either issue warnings to the countries in questions or recommend that laws or practices be changed.

Collective complaints

- This monitoring is complemented by a system of collective complaints, which is open to national unions affiliated to the ETUC, national employers' organisations that are members of UNICE, recognised European NGOs, the ETUC and UNICE.
- These organisations can draw up collective complaints which are then examined by the European Committee of Social Rights (ECSR, legal experts on the Charter) which, after hearing all the parties, submits recommendations to the Committee of Ministers for the respective governments to implement.

The Council of Europe also has two social security instruments: the European Convention on Social Security and the European Code of Social Security. These texts set the objectives of true social security systems and enable the quantification of the protective cover afforded nationally in each area of social security.

Recommendation: The ETUC and other European social actors should urge the European Union sign up to both the

- European Convention on Human Rights and the
- Revised European Social Charter.

Such a move would guarantee that identical social, political and civil rights applied throughout Europe.

3. EU Charter of Fundamental Rights (25 Member States)

It took a long time and a great deal of effort to arrive at this European Charter on Fundamental Rights.

It was adopted by the European Council in Nice in 2001 and contains a series of rights divided into seven chapters: dignity, freedoms, equality, solidarity, citizens' rights, justice and general provisions.

This text is the result of a compromise, with some imprecision on certain rights (e.g. for instance the right to “engage in” work as opposed to the right to work) and some gaps, e.g. regarding the right to take cross-border action.

This Charter has several positive factors:

- It groups together civil, political, social, economic and cultural rights in a single text, thereby indicating how indissociable and interdependent they are.
- It cannot be used to scale back rights at national level.
- It refers to the European Convention on Human Rights and to the Council of Europe's social charters (1961 and revised).

Only one thing remains unclear: the legal and political status of the Charter, and specifically its use by the European Union's Court of Justice (Luxembourg).

4. National constitutions and national social legislation

It goes without saying that national social rights still have to be fully applied; familiarity with these rights is a must; and efforts still need to be made to ensure that they are respected.

3.4

Increasing rights through law

The legislation contained in the four rights systems outlined above should not be regarded as rigid. Laws result from struggles: in its day, each new right that came into being called into question the previously existing law.

Here are several possible areas requiring future action:

- Guaranteed minimum income: The principle of a guaranteed minimum income must be guaranteed in all countries whereas the actual amount should be fixed nationally, at 60% of the median wage, and then regularly revised.
- Protection on the use of individuals' personal data.
- Protection of nature and people (especially patents on plants, the genetic data of a population or elements of the human body).
- All international agreements between the EU and regions or third countries (in actual fact all agreements with countries and regions everywhere in the world) are obliged, under a rule imposed by the European Parliament, to refer to the respect for and promotion of civil, political and social rights.

Generally speaking, these agreements also contain annexes with programmes

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designed to promote democracy, including the strengthening of the non-state actors' capacities.

Major cooperation agreements:

- Euro-Mediterranean
- Mercosur (EU's relations with 77 African, Caribbean and Pacific countries)
- Mercosur and South Africa

In close cooperation with ICFTU and the WCL, the ETUC is endeavouring to set up trade union solidarity networks and to ensure that the social aspects of development – and rights in particular – are taken into account.

- At the same time, the European and global trade union movements are trying to find correlations between the EU's trade policies and fundamental labour rights.

Some positive measures have already been taken to benefit those countries with policies that promote social rights (freedom of association, elimination of child labour). Negative measures could be adopted vis-à-vis countries that fail to respect trade union freedoms or resort to forced labour. Negotiations are under way with a view to creating new regulations, and European unions are striving to ensure that social provisions are expanded further.

- Equal rights

There is a huge amount of unfinished business to be done here. The three rights systems (the ILO, the Council of Europe and the European Union) proclaim equal rights, which are far more significant than the insipid 'equal opportunities' (as if life were a race in which everyone began on the same starting line, competing against everyone else in the world). But closer inspection of the actual situation highlights some serious deficiencies:

- For women:
 - Unequal pay (20% gap between the real wages earned by men and women in Europe).
 - Discrimination in terms of jobs, qualifications, social protection, working and living conditions.
- The following groups are also discriminated against:
 - Young people (jobs, pay).
 - The disabled (jobs).
 - Older persons.
 - Persons of foreign origin.

3.5

Supporting a different kind of Europe

Are you for or against Europe? This is a trick question, because as we saw in section 1.7, there are two sides to today's ambivalent Europe. The elites are

skilfully playing on this confusion and have developed a very powerful emotional weapon, sometimes verging on intellectual terrorism, by proclaiming that everything that is pro-Europe is good and anyone opposed to it is bad (reactionaries, protectionists, nationalists, etc.).

As trade unionists aware of the difference between our European social heritage and the predominantly liberal leanings of the political project that is the European Union, we should not allow ourselves to be intimidated or get caught up in badly framed debates. We are committed to Europe and its social model as represented in our respective countries. We appreciate the democratic and peace-enhancing values of the Union, but can also see that the present construction of the Union is not moving in the direction we would like to see it take.

So we must support Europe, but do so without accepting the current model, the liberalism that is impinging on the treaties or choices made by the Commission, as the only possible way forward. We are committed to a different kind of Europe, one that will be a key staging post towards a fairer world. Several current issues are confirming our basic choice.

■ From 'diplomacy' to democracy

One key challenge is to reintroduce democracy into the European Union. Of course, democracy takes different guises, such as the elections to the European Parliament, but real power is wielded in the current workings of diplomats: the secret agreements between national representatives; discreet haggling, the results of which are then presented as being on a 'take it or leave it' basis; sidelining of members of parliament and the general public ... This model, based as it is on diplomacy (as if the European Union was still largely a foreign affairs institution rather than one that affects a large portion of our daily lives!), justifies our labelling the Union a 'diplomacy' rather than an actual democracy.

Is progress being made? The Constitutional Treaty cannot be described as a truly significant text in that respect, though it does contain some improvements. On the other hand, the associated debate is very fruitful and is highlighting the Union's democratic deficit and the imbalance between economic policies geared towards generating profits and economic or social policies designed to help people.

■ The Bolkestein Directive

The Commission issued a proposal for a directive, which was dubbed the 'Bolkestein* Directive' (after the former commissioner responsible for the area it covered), devoted to the liberalisation of services in Europe. The draft directive was very much in line with the Lisbon Strategy (competitiveness* of European multinationals) and with the General Agreement on Trade in Services, or GATS*. Under the new directive, all services – including health, education, water, energy and so on – would become goods governed solely by the laws of competition, where the main relationship would be that between suppliers and customers. It therefore calls into question public policies, mounting a frontal attack on social security systems as well as posing a threat to public services of general interest.

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This draft directive also provides for service providers to operate within the framework of the respective legislation (especially fiscal and social legislation) of the country of origin, not in the country where the service is rendered. Consequently it leaves the door wide open for social and fiscal dumping.¹

However, the draft directive was severely criticised by governments (in Finland, Belgium and France), MEPs and national members of parliament. The ETUC and other actors (the platform of social NGOs) duly requested that the draft be withdrawn.

Mobilisation on a grand scale (75,000 Europeans demonstrated in Brussels on 19 March 2005) and fears generated even within conservative governments prompted the new Barroso-led European Commission to express some reservations. Subsequently the summit of heads of state (held on 21 and 22 March 2005) officially asked the Commission to draw up a fresh draft directive. It is too early to celebrate yet, but at least the door is open to a different approach based on harmonising legislation, sector by sector, instead of being characterised by the destruction of all rules applying to services provided in all sectors.

■ **Working time, European Works Councils, services of general interest, etc.**

Other issues would also benefit from the same kind of protest that the Bolkestein Directive's draft version provoked, such as the revision of the directive on maximum working time in Europe, and especially the rejection of opt-out clauses which allow companies to disregard the imposed limits; the revision of the directive on European Works Councils (EWCs); the need to protect and develop 'services of general interest' (SGIs) in Europe (a notion that includes existing public services in a number of Member States and forms of approved and subsidised 'public services' which take their place in others). At the same time there is also a need for a European directive that protects the principle of SGIs against the effects of economic competition, and to move towards the development of European services.

■ **Tax and the EU budget**

There can be no social justice without fiscal justice, and whilst fiscal competition is running amok, the tax burden is automatically sliding more and more onto the shoulders of workers, since other revenue bases (profits, government bonds, etc) are too mobile. Furthermore, the European Union can only remain – or again become – an area of common prosperity if public authorities receive sufficient funding.

Today, the unanimity rule (in other words, the right of veto given to each of the 25 Member States) applies to tax, and the Union's budget is limited to roughly 1% of the 25 Member States' GDP. What is more, the lion's share is devoted to the Common Agricultural Policy, which is having highly debatable effects in Europe. Committing to a different kind of Europe also means fighting for rules that enable the Member States to apply fairer fiscal policies, as well

¹ *Its provisions could seriously undermine health and safety in the workplace.*

as for a budget that would really allow the Union to develop the economic and social policies it needs.

■ Citizens' rights

A final issue raised at this juncture is the defence of civil liberties, including the freedom to take joint action, freedom of movement, and showing respect for the private lives of all citizens and residents of the Union. Both the desire to control social movements and the fears born of the 9/11 terror attacks have induced many governments to adopt increasingly repressive measures that sometimes border on the limit of what is banned by the respective international treaties. In particular, immigrant populations, both those with and those without papers, fall victim to suspicion, discrimination, and limits imposed on their freedom of movement. Indeed, many countries have so-called 'closed centres', which call to mind the darkest chapters in our history. We trade unionists will never be able to forget what a framework of democracy and civil liberties actually means – for that is the area within which we take action. Democracy is not a luxury we can do without in times of crisis.

3.6

Building up a European and an international trade union presence

A revision of the European Works Councils directive* has been in the works for five years, as efforts have been made to specify the requirements regarding information and the areas of opinion and consultation. Their operation also needed to be facilitated, as did their ability to represent workers. But since the Member States have failed to reach an agreement, the new text has got no further than the Secretariat of the Council of Ministers. Meanwhile, in certain situations, EWCs (see the glossary) can already serve as bridgeheads for building up a network of trade unionists at the level of multinational companies. In particular, more and more groups have a European body where trade union representatives meet up in parallel with EWCs in a bid to move ahead from simple 'information' to actual European consultations.

We should also explore another channel, namely that of **company global agreements**. There are already at least 20 such agreements, most of them the result of union demands. These agreements need to be expanded and improved upon:

- At the very least they should include in all the subsidiaries of a multinational group the guarantee that the ILO's fundamental social rights (see the eight conventions cited above) will be respected.
- Their application must be envisaged in companies or workshops to which work is subcontracted.

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- They must be negotiated between the management of the multinational and a representative trade union delegation (the appropriate international trade union organisation in the sector, the national union in the country where the multinational is based, or the national union in the country where the company in question has major investments).
- These agreements, recorded in international company-level agreements, submitted to the International Labour Office, must go hand in hand with a bilateral procedure for monitoring application and resolving any conflicts that arise.

The main interest for the unions is working in a network for the continuous flow of information, opinions and actions.

Finally, trade unionism also calls for the organisation of actions designed to show solidarity with threatened union activists throughout the world. As Amnesty International does, for instance, it is often possible to use the opprobrium of public opinion against the countries or multinationals that violate the rights of our fellow unionists anywhere at all in the world.

3.7

Four top priorities for action

Concerted efforts made by unions and the European social movement should preferably focus on the following four issues:

- European jobs that are decent, fair and recognised.
- The future of social security in Europe.
- An immigration policy that promotes justice and freedom.
- Europe's contribution to the democratisation of the global economy.

■ Decent jobs

The ILO has drawn up and is currently implementing a strategy calling for decent jobs which is of relevance to the world as a whole and hence also to Europe.

Between 1950 and the mid-1970s, Western Europe (the EU-15) experienced full employment and enjoyed a gradual improvement in the quality of jobs and working conditions alike.

So much for the general backdrop, for numerous problems emerged from struggles (for example restructuring in agriculture, the textile and shoe sectors, and the fragmentation of work, with heavy burdens on workers, specialised labour, and so on).

On the other hand, the spectre of mass unemployment that arose in the mid-1970s is spreading and continuing, restructuring measures are under way in large numbers of companies, and we are witnessing a spate of relocations, international divisions of labour prompted by the search for additional profits

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and new markets, a trend exacerbated by the advent of new technologies.

Considerable changes are going on in the workplace (affecting job descriptions, work organisation, the quality of products and services and working conditions, amongst others). The demand for skills, the complexity of the work to be done, and constraints of competitiveness have given rise to various forms of discrimination as well as individualising people's status and pay and weakening collective relations. These phenomena in turn have highlighted the precariousness of employment, as evidenced by various trends (fixed-term contracts, temporary work, involuntary part-time work – mostly affecting women, and work subject to the imposition of penalties, etc.).

Precariousness means low salaries (creating poor workers) and continual threats (people being blackmailed to work!) and often poor working conditions, plus forms of social protection that are not always what they should be. On top of this, let us note that precarious work spread throughout the EU-15 is far worse than that in the new and future EU Member States. Throughout Europe labour laws are steadily being deregulated and we can even talk of social regression, especially where women are concerned.

The EU tried to respond to the European demonstrations and the persistence of massive unemployment by drawing up the so-called 'Lisbon Strategy'. This economic EU programme drawn up in 2001 (at a time when growth in Europe was relatively robust (at 3%) and at a time when major hopes were still being pinned on the new economy (entailing the rapid expansion of services and goods generated by the widespread use of electronics)).

The Lisbon Strategy was designed to create a virtuous circle between:

- Growth
- Competitiveness
- Decent jobs
- Social cohesion, and
- Sustainable development.

The EU's ambition was to become a competitive centre of excellence for a communication-based society, with the liberalisation of services forming the cornerstone of this strategy.

The return to weak growth, rising unemployment, and flimsy cooperation in this strategy by the Member States mean that under pressure from the European business fraternity the virtuous circle has become a vicious circle where the precariousness of employment, the flexibility of work and its duration, and blocked salaries have become the rule, with no positive way out, where growth, domestic consumption and the social climate are concerned.

Hence the voices now clamouring in numerous quarters within Europe (European trade unions, social actors, MPs, political parties and the Luxembourg EU Presidency) for the revision of the Lisbon Strategy.

Accordingly, the Barroso Commission proposed a revision of the Lisbon

Strategy. It's still a so-called ambitious strategy whose underlying concepts and workings do little to conceal the abandonment of the notion of a virtuous circle of Lisbon. In actual fact, the European summit held in March 2005 opted to refocus on only the (liberal) economic objectives agreed in Lisbon, namely competitiveness at any cost, i.e. wage cuts and lower standards of employment and social protection. The objectives of social cohesion and sustainable development have vanished.

■ The future of social security in Europe

Along with collective bargaining, social security is without a doubt one of the most important elements of Europe's social heritage, and will constitute the truly great social challenge in Europe between now and 2015 to 2020. But what's the current situation?

- The systems existing in the 15 old EU Member States (plus Cyprus and Malta) are pretty varied in terms of their funding, administration, workings and services provided), but are all based on the principles of **sharing** and **solidarity**.
- In the 10 new EU Member States (plus Bulgaria and Romania), social security was denationalised and reformed, under pressure from the World Bank, by **privatising** it to a very great extent (especially where disease and pensions are concerned).

In the European Union, two incompatible principles are going to clash: one based on solidarity, the other on individual private insurance schemes. But other threats exist which are fuelling the arguments in favour of the full or partial privatisation of social security:

- Health costs.
- European demography (especially ageing, even though this is primarily a spectre raised to make people believe that social security systems can no longer be financed or that private systems would work much better).
- Unemployment and under-employment.
- Lowering the costs incurred by companies: taking funds away from the social security system (!).
- Global competitiveness: more than 80% of the world population has no social security system.
- Europe's social heritage is being undermined.

Virtually everywhere in the world, and in Latin America in particular, health insurance and pension systems are being privatised. Europeans are being prepared for such changes by continuously being bombarded with reminders and the milking of objectively worrying situations concerning health costs, unemployment and the continent's ageing population.

Action must continue to be taken in a bid to shore up proper social security systems, which serve to redistribute wealth and are instruments of solidarity. Of course, new ways of funding them will have to be found (such as tax levied on all capital and revenue from work). But the top priority is to stress that it

is the quality and quantity of redistribution which create wealth, not – as is all too often claimed – wealth that has to be accumulated before it can be redistributed.

■ Other immigration policies

The European Union and its Member States are sending out negative or at least ambivalent signals regarding the problem of immigration (which is causing confusion amongst asylum seekers and economic migrants, resulting in tougher policies on dealing with immigrants or reuniting families, giving rise to forms of job discrimination against workers of foreign origin who are legal residents, and creating transit (or concentration?) camps in north African countries to deny immigrants and refugees access to Europe. Without seeking to deny the complex nature of this problem and the difficulties associated with taking action, Europe appears like a fortress, protecting its material wealth and ways of life.

Until the social rift between the North and South has been overcome and serious deficiencies in democratic practices have been remedied, human beings – in many cases exploited by networks of traffickers – will continue to seek places where they can hope to find asylum, work and better living conditions (which is a legitimate undertaking according to Article 13 of the Universal Declaration of Human Rights).

In spite of all the familiar dangers, the Mediterranean has become a vast cemetery where large number of destitute Africans and Asians have met their deaths, faced with the closure of Europe's borders.

Europeans have forgotten their history: millions of Europeans sought refuge in North America in the 19th and 20th centuries to flee famine, unemployment, or political or social repression. They have also forgotten that the economic development of the glorious 1930s and the financing of social security (first and foremost pensions) were assured thanks to help provided by migrant workers, who came from southern and eastern Europe in the 1950s, 1960s and 1970s.

Moreover, very few EU Member States have ratified the international labour standards governing migrant workers and their families: ILO Conventions nos. 97 and 143, and the UN Convention on migrant workers and their families.

Article 13 of the Cotonou Agreement covers three aspects of migration:

- Trying to stem migratory flow by developing suitable economic and social activities in the regions that attract immigrants. This is discussed on a sporadic basis, but no real attempt has been made to take action.
- Ensuring equal treatment for European and ACP nationals. Even though the law exists in theory, in practice many kinds of discrimination go on, especially when it comes to jobs.
- Cracking down on networks of human traffickers. Here too, intermittent policies are applied and media-hyped successes may give the illusion that progress is being made, but the trade and exploitation are continuing.

On the other hand, European managers are offering to employ (exploit) illegal

workers or immigrants without papers. The shadow economy is flourishing in all the EU Member States, and the workers in that economy who enrich the respective countries' GDP have no rights.

The international and European trade unions have regularly called on the European Commission to implement this Article 13, which would have required at the very least the establishment of an interdepartmental 'task force' at the Commission. But no satisfactory response has been given.

Thus the European Union is steering a short-sighted course in these areas, oscillating between crackdowns, closures, ad-hoc acceptance (e.g. when skilled workers meeting their needs are required!), the establishment of 'cordons sanitaires' in the developing countries bordering on southern Europe and transitory efforts to step up the appropriate programmes in emigration regions.

If only priority had been given to social development in the Yaoundé Conventions and the successive Lomé Conventions, as well as in the Euromed programmes! The flow of immigrants would have been greatly reduced.

Many Third World nationals, often with top university degrees or diplomas are staying in Europe because they know that if they return home to their country of origin, as many of them wish to do, they will find no work. In Europe they have a tough time finding work (owing to problems to do with their nationalities, de facto discrimination) or have to accept lower-status jobs not matching their qualifications (this also applies to doctors!).

In addition, the technical assistance provided by the European Union and its Member States is being hampered by expatriates who are not always competent (due to their lack of familiarity with the areas in question, their cultures, history and so forth).

■ Europe's role in globalisation

The European Union must make a clean break with the 'Washington consensus'* and implement its own traditional model for social and democratic development.

3.8

Are the unions and other European social actors capable of doing what is required?

The situation is extremely worrying, and virtually all the changes taking place are negative. Many things need changing. The values of equality, social justice and solidarity are under threat. Political approaches are becoming undemocratic and focusing on market-related interests rather than those of people.

The global spread of capitalism is creating various forms of insecurity and even creating social exclusion in Europe and, to a much more serious extent, in the Third World. It is very difficult to take effective action because the traditional tools of the trade union movement (demonstrations and various other actions,

strikes, bargaining) do not seem to be working.

Over the last six years in particular, major European demonstrations have been staged in Luxembourg, Porto, Nice, Barcelona and Brussels, and large crowds from all over Europe have responded to the call from the ETUC and its affiliates. The demands have been clear: jobs for all, fair working conditions without discrimination and open, tolerant, non-racist societies.

Despite the success of these demonstrations, they have not always affected the choices made by economic and political decision-makers, though the case of the Bolkestein Directive (in March 2005) is relatively encouraging in this respect.

Employers and business circles are calling upon the public authorities and public to give them social bargaining instruments that will serve their purposes. These measures include flexible work, wage moderation, the liberalisation of services, changes to social security systems with more privatisation, calling into question of the right to strike in its different forms, and so on.

Role change: now it is the bosses who are calling for and gaining satisfaction, whilst the unions and social actors seem to be achieving very little in their quest for social progress.

However, there are shortcomings and weaknesses amongst the unions and social actors. We can highlight five major deficiencies which definitely need rapid correction.

- 1. Lack of knowledge and failure to implement the rights applicable in Europe** (established by the ILO, Council of Europe, European Union). These (largely social) rights ratified by the respective Member States can be used at both national and European level.

Both secondary and higher education have tended to neglect the fields of employment law and social legislation (except for a few specialists), though they are guaranteed internationally.

Practical courses for trade unionists no longer seem to be regarded as a priority.

For these internal and external reasons, many executives (in business, even legal specialists, top managers, heads of socio-professional organisations, NGOs and even trade unions) seem unaware of social values and their history.

This lack of content-based knowledge is often compounded by a lack of know-how regarding the technical and legal use of the relevant rights systems.

Further neglected areas include the failure to ensure that such instruments are ratified, which is essential for ensuring their legal scope and political clout at national level, and for the strengthening of each system of rights.

- 2. General indifference towards the gradual dismantlement of Europe's social heritage?**

Every organisation is choosing to resist on its own at national level, where it feels able to understand the situation.

However, in many cases the national social regression or strategy derives from

external measures (the requirements of the market, the IMF, the World Bank, the OECD and, sometimes, the European Union).

For example, during just a 15-day period in 2004, regressive measures were taken in France, Germany, Belgium and the Netherlands against the unemployed (shortening the time during which unemployment benefit was awarded, tightening up access to benefits, performing more stringent checks).

This right to protection against unemployment is a universal right stemming from the UN Declaration on Human Rights (1948) and is also guaranteed by the ILO, the Council of Europe and even the European Union.

Resistance and the submission of joint proposals at European level could have been considered, but in fact nothing was done...apart, that is, for a few isolated actions in each of the countries affected.

3. Apparently shared and mounting disinterest in the European Union's external policies

The European Union has quite dynamic external policies that affect all regions and countries in the world.

Since the Treaty of Rome (1957), these programmes, which were initially designed as economic and social development cooperation processes, have gradually developed into free trade exercises.

Moreover, these programmes have never really managed to integrate social factors (such as health, education, employment and social protection). Nonetheless, very substantial amounts of money have been allocated to them, not least in Africa since 1963. So who has benefited from them?

The ETUC, in cooperation with the international trade union confederations (the ICFTU and the WCL), has long been concerned about the social content of the following programmes:

- Euromed
- Mercosur and Latin America
- Cotonou (Convention between the EU and 77 African, Caribbean and Pacific countries)
- The Balkans.

The international and European trade union movement is endeavouring to build up solidarity networks via these programmes.

The content of these policies, the financial resources and the implementing methods are decided by the Council of Ministers (i.e. the governments of the Member States) and the European Parliament. So the unions affiliated to the ETUC have to intervene in their respective EU Member States by lobbying their governments and MPs and thereby trying to influence the demands and proposals submitted to the European institutions. This is being done very little and very badly.

Why should that be? The truth is that many European unions with NGOs or involved in cooperative activities, seem to prefer bilateralism to multilateralism.

4. Alliances and coalitions

European trade unions cannot develop an influential social movement by themselves. They need to seek out alliances and coalitions. At European level, progress has been made in terms of cooperation between the ETUC, other social actors, consumer organisations and 'human rights' development NGOs. The situation varies greatly from one country to the next, with a mixture of ignorance, frequent disputes and regular joint actions.

Of course, these alliances are far from simple since NGOs often lack social values and any real competence in their field. For their part, many trade unions are too set in their ways or have lost some of the background knowledge they need.

Unions need to review their knowledge and know-how so as to include the European and international dimensions and take on board the experiences of workers and citizens.

They must learn once again how to listen, understand and take into account the problems and aspirations of working people. Indeed, this is an essential task for anyone claiming to 'represent' workers.

This renewed understanding must then be used as the basis for exchanging knowledge and experiences.

This exchange and pooling of knowledge can be turned into real competence and expertise that will strengthen the unions' position in the balance of power.

5. Becoming European and international players

All these shortcomings surely boil down to the fact that the bodies and people who could initiate and implement positive changes have basically remained national players.

However, the social changes that need to take place in Europe will only be achieved through a strong social movement that brings together a variety of different, though European, players.

It is not a question of abandoning the local or national levels but rather of acting at these levels and at the European level simultaneously.

The process of moving from analysing real situations to evaluating their impact and from critical examination to devising proposals and social models must be carried out in a coordinated way, linking up the local, national, European, international and global levels.

Some progress has been made, particularly within the ETUC for quite a while, but over the last decade European unions seem to have been turning in on themselves at national level.

Unions and social actors therefore need to take a good look at the effectiveness of their operations and capacities, and be ready to make internal changes.

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1 May 2006 will probably see the creation of a new, unified and democratic international trade union organisation, bringing together all the ICFTU and WCL affiliates as well as other trade unions not affiliated to an international organisation.

The new organisation will need to represent all the world's workers, regardless of their status, and organise dynamic networks for action between sectoral and cross-sectoral organisations and between independent regional union organisations.

The aim should be to promote solidarity and universal social justice and ensure there is a democratic framework for globalisation, so that all human beings are "equal in dignity and rights". Acting as a fully independent body, the new organisation will need to provide impetus, inspire creativity, refresh working methods and shake up the forces of intellectual and technical inertia amongst the states and politicians that are schizophrenically running international institutions.

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1. GATS
2. THE WORLD BANK
3. COLONIALISM
4. EUROPEAN WORKS COUNCILS
5. COMPETITIVENESS
6. WASHINGTON CONSENSUS
7. DEBT
8. BOLKESTEIN DIRECTIVE
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17. OECD
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23. EUROPEAN SOCIAL HERITAGE
24. STRUCTURAL ADJUSTMENT POLICIES
25. CORPORATE SOCIAL RESPONSIBILITY
26. PUBLIC SERVICES
27. THE EUROPEAN UNION

GATS

General Agreement on Trade in Services

GATS is one of the 60 texts making up the Marrakech Agreement (1994) which established the World Trade Organisation (WTO). It is a commitment to conduct periodic negotiations within the framework of the WTO with a view to achieving ever greater liberalisation of services.

GATS radically applies the doctrine of free trade in the tertiary sector, which includes all services (services run by the private sector, services run by public authorities or services carried out by private actors appointed by the public sector and subsidised for that purpose). All WTO member countries are obliged to apply the measures contained in GATS.

■ Services

GATS defines services as follows: "services includes any service in any sector except services supplied in the exercise of governmental authority" (Article 1). This is the definition used by the European governments and the European Commission when they want to convince others that public services are not affected by GATS. By only using this part of the definition, they are deceiving the people because the GATS text goes on to specify that "a service supplied in the exercise of governmental authority means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers" (Article 1).

It is clear that, in almost all countries, the public and private sectors are competing over services in the areas of education, health and the environment. From now on, GATS applies to virtually all services.

■ Figure

Estimation of the global turnover of the three major service sectors compared with the oil and automotive sectors (in billions of dollars – 2001)

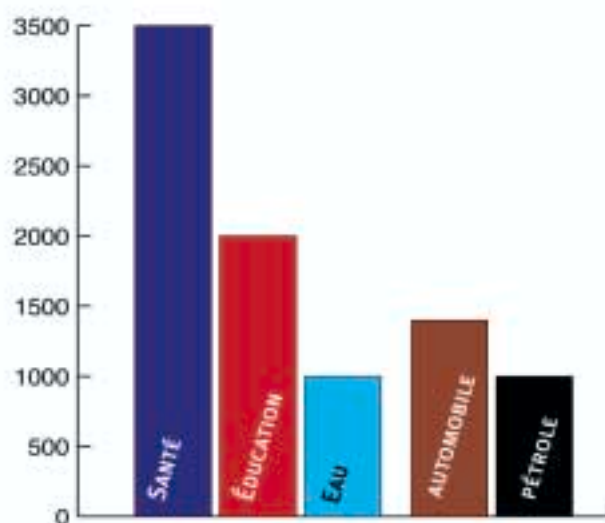
- 3,500 for health
- 2,000 for education
- 1,000 for water
- 1,400 for the automotive sector
- 1,000 for the oil sector

This figure shows why the WTO and the multinationals are trying so hard to free the service sector from all national regulations designed to protect services, consumers and workers.

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• G A T S •

ESTIMATION DU CHIFFRE D'AFFAIRES MONDIAL DE 3 GRANDS SECTEURS DE SERVICES AUX PERSONNES
EN COMPARAISON AVEC LE PÉTROLE ET L'AUTOMOBILE (en milliards de dollars US)



■ The methods of service provision

To be certain of covering all types of services, GATS draws a distinction between four methods of service provision (Article 1):

1. Method 1: cross-border services: services provided in the territory of one country which are also provided in the territory of another (e.g. the supply in Italy of electricity generated in France).
2. Method 2: cross-border consumption of services: the service is provided in the territory of one country to a consumer coming from another country (e.g. a German goes to Spain and uses a Spanish hotel or a Spanish bank).
3. Method 3: establishment of a commercial presence: a service provider from one country sets up a branch, subsidiary or representation in another country (e.g. Total decides to set up a refinery in Burma, which is then governed by Burmese law).
4. Method 4: the movement of natural persons: when a person from one country goes to another country to use or provide a service whilst working under a fixed-term employment contract (e.g. an Indian computer scientist is employed by a German company on a five-year contract).

■ Public authorities subject to the WTO

Besides the common obligations applying to all WTO agreements on most-favoured nation status, GATS also sets out general and specific obligations:

General obligations:

- Transparency: each WTO member country must inform all others of its laws,

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rules and regulations pertaining to services (at both the national and sub-national levels) and any changes made to them to bring them into line with decisions reached by the WTO (Article 3).

- National regulations: the laws, rules and regulations in a country may under no circumstances be "more burdensome than necessary". The WTO has a right to establish "disciplines" to prevent these regulations from constituting "unnecessary barriers to trade in services" (Article 6). For example, criteria defining drinking water or transport safety standards may be prohibited if they have an adverse affect on trade. The same goes for any measures taken by a government to force a private supplier to guarantee universal access to the service in question (e.g. water or electricity distribution).

Furthermore, each time a country makes commitments in a given sector, it also becomes subject to several specific obligations. This effectively prevents the creation of any public monopolies, as well as any distinction between commercial and non-commercial actors justifying the awarding of subsidies to the latter.

■ Commitments and the end of free democratic choice

The commitments made at the outset (when the WTO was established) or during successive subsequent rounds of negotiations put an end to free democratic choice. In actual fact, these rules pertaining to market access and national treatment would remove all power from the respective democratic institutions to adopt policies that met the specific needs of a community, town, county, region or country.

Moreover, once a commitment has been made, it is irreversible. Article 21 of GATS states that any country wishing to modify its commitments in a manner that does not favour the spread of liberalisation would have to negotiate with the other 143 WTO member countries with a view to determining financial compensation that these other countries would then be entitled to claim. In the event of any disagreements, the WTO's Dispute Settlement Body has the final say. So clearly, the citizens – by voting in elections - no longer have any means of overturning the decisions made by a government. The consequences of this would prove highly detrimental for the community.

■ An endless process, but a fixed timetable

The aim of GATS is the progressive liberalisation of all service sectors over successive rounds of negotiations which will be held periodically "with a view to achieving a progressively higher level of liberalisation" (Article 19). To ensure that each round of negotiations results in fresh progress being made in that area of liberalisation, GATS states that "the process of progressive liberalisation shall be advanced in each such round".

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It is important to stress that these procedures are veiled in the deepest secrecy. There is secrecy in Geneva, secrecy in the European Commission and secrecy within each government. But they are not kept secret from everyone; the private services sector is closely involved in the preparation and follow-up of the negotiations (see the references to lobbies).

Meanwhile, the representatives who were democratically elected by citizens in each national parliament and in the European Parliament, are completely excluded from decisions that are made and that are being prepared. Neither are they included in the fundamental societal choices that these negotiations involve.

No democratic debate is organised before these fundamental decisions are made. The representatives embodying the sovereignty of the people end up having to simply accept or reject the outcome of negotiations once they have been concluded.

■ Reacting

History shows – and the privatisations over the last two decades confirm – that the quest for individual interests is rarely compatible with satisfying the general interest.

The recognition of fundamental rights is one of the major achievements of the 20th century. These rights, which are laid down in international agreements, give the public authorities, at whatever level this may be, the task of grouping together resources in order to enforce these rights. Public services constitute one of these resources.

So, in view of the potential threats set out in GATS it is a top priority that we:

- 1.** Call for a moratorium on the current negotiations.
- 2.** Condemn the lack of transparency of these negotiations and the total absence of any form of democratic control.
- 3.** Adopt a clear definition of the concept of public service and make sure that this is acknowledged firstly in Europe and then at the WTO.
- 4.** Declare that GATS does not apply to public services.

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THE WORLD BANK

The World Bank is the sister institution of the IMF. Like the IMF, it was created at Bretton Woods in 1944 and, in 2002, it had the same 184 members. Its structure is also similar to that of the IMF but it has a different method of financing. Its official remit is to support development projects and in practice it operates along the same lines as the IMF and uses its funds to finance structural adjustment programmes.

The current expression 'World Bank' in fact refers to the International Bank for Reconstruction and Development (IBRD) , which was originally set up to help Europe after the Second World War and has gradually become the institution for financing Third-World development.

In 2002, it employed approximately 8,500 people in Washington DC and 2,500 in its 100 other offices throughout the world. Between 1945 and 2001, the World Bank provided a total of \$360 billion in loans to its client countries.

Its operating rules and rules of "democracy" (Board of Governors, Board, Director General and so forth) are identical to those in force at the IMF. Here too, an 85% majority is required for important decisions – and the US holds 16.45% of these voting rights.

In 2001, its Vice-President, Joseph Stiglitz, resigned publicly as a result of the Bank's increasingly liberal tendencies and the disastrous consequences of World Bank policies for the people in the Third World (*For more information: Joseph STIGLITZ : "La grande désillusion" - Fayard, – 2002.*)

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COLONIALISM

Colonialism is the term used to refer to dominant trade and political relations imposed (generally by European countries) on countries in the Third World. For almost a quarter of a century now there have been no official colonies.

Nonetheless, centuries of colonialism still influence international relations. But more importantly colonialism has assumed new guises, for globalisation is represents the re-colonisation of most of the world by the richest countries.

Christopher Columbus' arrival in America marked the beginning of a period of intense international trade. The first European factories needed raw materials. At the same time, the massacre of the Latin American peoples turned the New World into a virtual desert - and it takes manpower to cultivate land and exploit fabulous gold and silver mines. This led to the development of the Trade Triangle. Precious metals and raw materials were exported from American colonies to European countries. Ships left Spanish, Portuguese and French ports with low-value manufactured products (cotton fabrics, glass, guns) for Africa where they were exchanged for slaves. The ships, loaded up with an African workforce, then headed off to the colonies in the Americas. The main aim of this colonisation was to plunder resources, not populate different areas. The colonists did not travel far inland. They set up their trading posts on the coasts and only a few adventurers ever headed further into their respective host countries.

The industrial revolution and poverty in Europe in the 19th century gave rise to a new type of colonisation, involving the settlement of new populations. The United States was the main destination for migrants. At the beginning of the 20th century, many young adventurers left the large cities in Europe and headed for Africa and Latin America.

Neo-colonialism no longer has anything to do with settlement, but once again entails a process of plundering the natural and financial resources of countries in the South. The main weapon used today in this new form of domination is debt*. Other methods also play a role, such as the application of decisions reached 'by consensus' within the WTO, the corruption of local elites, or direct military intervention if necessary.

The objectives of this new wave of colonisation are:

- To maintain access to markets (for example, subsidised cotton in the USA or EU surpluses that still need to be sold somewhere).
- The imposition of very low prices for natural resources in accordance with the old principle whereby raw materials are not paid for, or at least do not net a fair price.
- The establishment of political order (the Washington Consensus* as reflected in the Structural Adjustment Policies* imposed on governments in the South) that sets out favourable conditions for 'investors' - a term that, in

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reality, actually means Western multinationals and institutional investors. The World Bank* and the International Monetary Fund (IMF*) have taken it upon themselves to supervise this enslavement of world economies to creditors.

EUROPEAN WORKS COUNCILS

These bodies for informing and consulting with workers became a legal requirement in Community-scale undertakings (see box) on 22 September 1996. Today, there are around 700 multinational companies in Europe that each have their own European Works Council.

EWCs are regarded as the main achievement of the European Social Dialogue. Trade unions, however, are not convinced that all EWCs are equally effective.

■ An uncertain future for 'social heritage'

Between 1850 and 1960 workers across Europe gained rights - they were no longer treated like goods, or as mere 'partners' like any others: they have their say in companies. Each Member State has set up its own system of 'social consultation'.

However, for a long time now, these national frameworks have been circumvented in two ways:

- Companies are increasing in size, crossing borders and becoming multinationals.
- The European Union is gradually taking decisions in place of the Member States on a growing number of issues.

How can each EU Member State's 'social heritage' be taken on board at EU level? The idea of establishing European Works Councils for the purposes of informing and consulting employees emerged during the 1980s and was categorically rejected by employers for a very long time. A directive was finally introduced in 1994 that required all 'Community-scale' undertakings (see box) to set up EWCs before 22 September 1996 ².

■ Consultation, dialogue or negotiation?

EWCs were set up for the purposes of "informing and consulting" employees. "Consultation" means "the exchange of views and the establishment of dialogue". These concepts must be viewed in the context of the current model for collective relations that already exist in various forms in the EU Member States.

- In the majority of EU countries, social relations are structured around the concept of **dialogue**, a concept that is much more binding for companies. It does not simply entail an "exchange of views". To change working times, address work-related safety issues, plan leave or training, or take up many other issues that vary from one country to another, employers are obliged to follow specific procedures and to **take account** of views held by trade union representatives.

² 22 September 1996 was also the deadline for conclusion of less restrictive 'voluntary agreements'. As a result, a flurry of such agreements emerged in the months before the deadline.

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- It must also be remembered that dialogue itself is fundamentally based on codes and laws that recognise trade unions and thus the right to **collective bargaining**. It is therefore justifiable to oppose the might of money by taking collective action.

Without these elements, negotiation would not be possible. Without negotiation, dialogue is simply a formal procedure. And where does that leave 'consultation' and 'information'?

Which undertakings does this apply to?

This legal requirement applies to companies, or groups of companies, that employ at least 1,000 employees in EU Member States with at least 150 employees in each of at least two Member States. It is worth noting that 'foreign' multinationals, for example, American companies, owning two or more subsidiaries must also comply with this directive.

The trade union outlook

A structure like the European Works Council cannot be effective if it remains purely formal.

Simply meeting the requirements of the legal framework, i.e. holding a meeting once a year, is not enough. If EWCs are to come to life, contacts need to be made, relations established and a common interest must gradually emerge.

■ This raises several issues:

- Language training for the members of EWCs.
- The problem of agendas which, in some cases, seem to be set exclusively by company management.
- The lack of means of communication between trade unions in different countries (telephone, e-mail, correspondence, travel and so forth).
- The fact that works councils occasionally bring together representatives from different subsidiaries that are made to compete against each other by managers.
- 'Cultural' differences that can make working together difficult (see 'Worker representation in Europe*').

The revision of this directive, delayed in the EU institutions for the past five years, should therefore present an opportunity to improve a text that remains far too flexible and gives company managers too much room for manoeuvre, virtually enabling them to elude the very objectives of the directive. Consequently, there is a need to:

- Increase the powers of negotiation in EWCs so that they become forums of social democracy.
- Strengthen the right to real information and consultation, the Renault-Vilvoorde case shows the extent to which dialogue with workers can be neglected.

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- Reduce the threshold for undertakings bound by the directive. The current threshold of 1,000 workers should be reduced to 500.

Finally, trade unions believe that the benefits of EWCs lie not so much in items on the official agenda but rather in the contacts and information shared between workers' representatives, an aspect that needs to be developed. If central management succeeds in dividing workers in such a way as to make it possible to discuss issues with each individual worker separately, it will have won. And if workers' representatives succeed in putting up a united front and speaking with one voice, the workers' cause can be advanced and the balance of power can assume a new form.

COMPETITIVENESS

A concept imposed by the neo-liberal counter-revolution of the 1980s. The term refers to a company's capacity to conquer or retain markets in an environment of 'pure competition'.

The concept of competitiveness has silently replaced the century-old concept of productivity. Productivity is a quantifiable (and quantified) concept. To calculate productivity, the number of goods produced is divided by the number of hours of work required to produce those goods. For example, if a company employing 15 workers produces 600 pairs of shoes in an eight-hour working day, productivity would be said to be $600/(15 \times 8) = 5$ pairs of shoes an hour.

Two points must be borne in mind when considering productivity:

- Productivity is rising all the time in all sectors, at an average historical rate of 2% per annum. This means that the working time required to produce the same product has halved over the past 35 years; one hour in 1970 = 30 minutes in 2004.
- Over more than a century, this pursuit of productivity has led to a considerable increase in the wealth produced. Moreover, the power wrested by the unions has allowed this wealth to be distributed in a 'balanced' manner in three different ways: profits have gone up, real wages have increased and working time has decreased.

As a result, it is easier to understand why neo-liberal ideologists (successfully) attempted to push the concept of productivity into the background in a bid to promote competitiveness. Consequently, the aim is no longer to improve production or make production methods more efficient but rather to produce goods more cheaply. To do this, there is no longer any need for costly investments or qualified workers - all that is required is to cut wages in any way possible.

- Employment blackmail or relocations force workers in the North (and the South) to accept lower wages, longer or more flexible working hours and so on. It is a fact that since the mid-1980s in Europe average investment has remained very low. Why take the risk of buying machines if you can be 'competitive' by reorganising, restructuring, intensifying production, using subcontractors or adopting other such ploys?
- Actual delocalisation entails companies relying on non-unionised workers who are ultra-flexible and badly paid. It matters little if it takes three times as long to manufacture a given product when the workers in question are only receiving a quarter or a fifth of the salary paid out previously?

This race towards competitiveness is leading the current phase of capitalist development into a major contradiction. In the productivist model, it was always theoretically possible to go one step further, to become more efficient, and continue in the long-term, and at the same rate in all countries, to reduce the amount of working time needed to turn out goods and provide services.

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A scenario in which everyone progressed at the same time was not guaranteed, but it was a possibility.

The competitiveness model, on the other hand, is all about being cheaper than your neighbour, and even a child could understand that this means there will have to be winners and losers. The example of delocalisation can serve to explain what is meant by 'winners' and 'losers'. The 'winners' are those workers who are fortunate enough to work for almost nothing, and the 'losers' are those who no longer have a job. Hence the familiar paradox: as wages drop lower and lower, who will buy the products churned out by this suicidal economy?

WASHINGTON CONSENSUS

The term 'Washington Consensus' is used to refer to the basic agreement between the IMF, the World Bank and the OECD on policies to be pursued globally. The Consensus is the 'programme', so to speak, for neo-liberalism - a programme that underlies the Structural Adjustment Policies*.

The leaders of the World Bank* and IMF* recently said that the Washington Consensus had failed and that it did not reduce poverty but rather increased injustice and violence. This is simply what the majority of the trade unionists and 'alternative globalists' have been saying for many years now. Unfortunately, this realisation has not yet convinced the IMF, the World Bank or the countries that control them to abandon this model.

The Consensus can be summarised in eight points as follows:

- 1. End of subsidies** for essential services and products such as bread, rice, milk, sugar, fuel – all in the name of 'true prices' .

The irony is that the countries in the North which are imposing this policy subsidise, for example, their own agricultural production which then allows them to export goods to countries in the South at prices that devastate local markets.

- 2. A drastic reduction in public spending** in order to balance the budget, specifically via severe cuts in 'non-productive' social budgets (education, health, housing and infrastructure), pay freezes and redundancies in the public sector.

Balancing public finances in countries in the South has become a very important issue for political and financial powers in the North since the IMF took on the role of the debt 'bailiff' for the Third World, responsible for making countries pay by any means possible.

- 3. Devaluation of local currencies.** If a country's currency is cheap (in relation to the dollar or the euro), it becomes more difficult for that country to import foreign products (consumables, investment or health care, for example) but easier to export goods because the country's products seem cheaper to foreign buyers.

Import less and export more - this is good for balancing country budgets, especially since they have the heavy interest burden to service. Clearly, this may seem absurd - to export, it is often necessary to import first (machines, raw materials or energy, for example). This does not apply, of course, to natural resources, where devaluation is also a way of imposing very low real prices on the Third World's resources.

- 4. High interest rates** to attract foreign capital with a higher return. Everyone knows that high real interest rates are an obstacle to the development of local economies. And yet it 'makes sense' for this handicap to be imposed on countries in the South, i.e. investors must be rewarded for the risks they take by investing in poor countries.

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5. Opening up of markets completely by eliminating customs barriers.

6. Financial liberalisation, in particular dropping controls on the movement of capital and eliminating foreign exchange controls.

The situation is always presented as though countries in the South have a vital need for the capital that flows into them (in certain cases this is true), but the measures imposed as part of the Washington Consensus result in a situation where capital can also be withdrawn very quickly as soon as the situation seems to be deteriorating. Obviously, this then means that the situation deteriorates more rapidly because capital was withdrawn. In 1997, the only Southeast Asian country that more or less resisted the monetary whirlwind was Malaysia. It had drastically limited the possibility of capital flight.

7. Fiscal policy that favours investors, i.e. policy that does not reduce profits or unearned income (from real estate, for instance), or only reduces them slightly, thus further increasing inequalities.

8. Mass privatisation of public companies.

There are two reasons for this. Firstly, this increases funds held by the public treasury (say, didn't you have to pay off high interest on your debt?). As a result, entire sectors of the economy in countries in the South are sold off, including some (such as mines, water distribution or transport) that could turn out to be very profitable once they are privatised and no longer have to fulfil their obligations as a public service.

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DEBT

World debt has increased dramatically over the last thirty years. Between 1970 and 2001, the external debt of the poor countries increased by a factor of 35, while the external debt of the most industrialised countries increased by a factor of 10. Despite the fact that total Third World debt only accounts for a few percent of the world's total debt, it plays a key role in the impoverishment and subservience of the Third World.

Not only does this debt have immoral origins, but it has become one of the key mechanisms of capitalist globalisation: paying off the interest cripples the poor countries and their recurring payment problems force them to comply with the demands of the IMF, which 'saves' them each time in return for an ever greater level of control over their policies...ultimately leading to the recolonisation of the Third World.

■ Where does Third World debt come from?

We can trace the origins of Third World debt back to the early 1970s when European banks hoarded dollar reserves. This was a period when borrowing options were falling as a result of the crisis. Money never sleeps: the banks then found an outlet in the Third World to make up for the lack of opportunities in the rich countries. This led to a flood of bank loans to Third World countries, which were often run by dictatorships supported by the rich countries during the Cold War (Videla, Pinochet, Marcos, Mobutu, the apartheid regime in South Africa and so on). Many of these leaders managed to misappropriate the money borrowed on behalf of their countries in order to line their own pockets, thanks to the financial tactics of the lending banks.

Thanks to low real interest rates, the debt remained bearable for the countries in the North and in the South. The Third World economies did not face major problems paying back the money since the price of the products they exported were increasing. An abrupt change occurred in 1979-1980 when real interest rates skyrocketed as a result of the neo-liberal policy spearheaded by the US Federal Reserve and then adopted by Great Britain (see article on 'monetarism'). For example, American interest rates jumped from 6.8% in 1977 to 18.9% in 1981, triggering an increase in real rates from 0.3% to 8.6%. This decision was to have a devastating impact on the Third World countries. 70% of the bank loans granted during the 1970s had been acquired with variable interest rates which were indexed to the American and British rates. As a result, the increase in the American interest rates led to a mechanical increase in the debt of the Third World, which found itself financially crippled. Its situation was made even worse since prices of raw materials began to fall sharply. In August 1982, Mexico became the first country to announce that it was unable to pay back its loans. It was quickly followed by other countries throughout the Third World.

The governments of the rich countries were therefore faced with a dilemma: they could either save the Third World countries suffering from bankruptcy, or

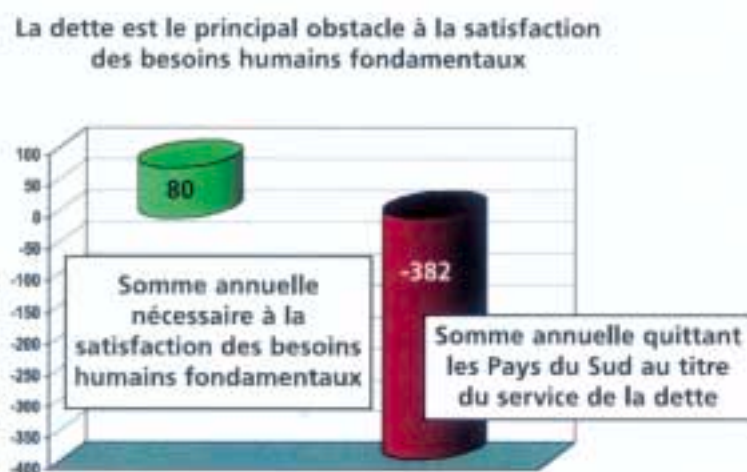
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they could save the banks in the North facing problems as a result of these loans which had become insecure. They opted for the latter by giving the IMF and the World Bank the task of granting new loans to the Third World using public funds provided by taxpayers in the rich countries... provided that this money was used to pay off their debts to the private banks in the North!

■ Interest on the debt is the main cause of poverty in the South

Africa, for example, uses 40% of its income to service its debt. Total reimbursements of interest alone exceeds USD 300 billion per year, equivalent to FOUR TIMES the amount of money needed to guarantee access for everyone to drinking water, to provide primary schooling for all children and to cover basic health requirements.



We should also mention that the amounts reimbursed by the countries in the South to banks and countries in the North far exceed the total amount provided in 'development aid'. For many years now, the Third World has therefore been a net exporter of capital to the rich countries!

■ Debt management by the IMF: the main weapon of neo-colonialism

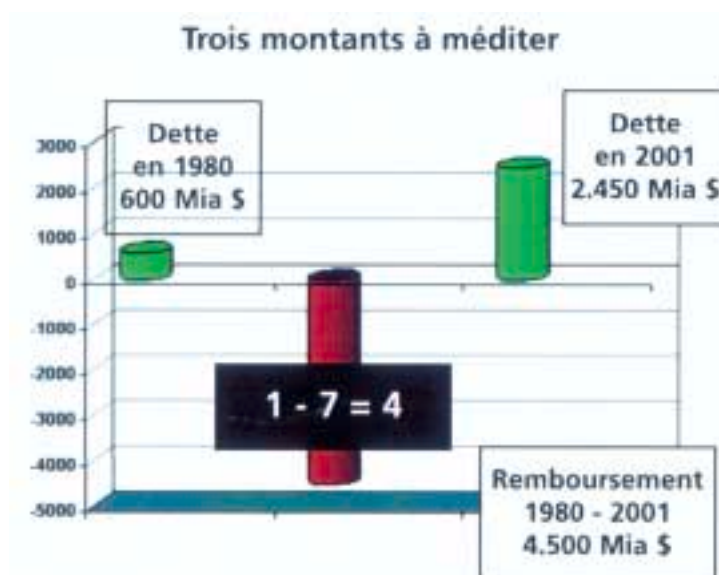
External debt is an extremely effective way of pillaging resources since it seems legitimate for creditors to reclaim what is owed to them. In order to do this, each time a country is experiencing payment difficulties, the IMF imposes structural adjustment programmes on the country, in return for its support. This is how the exploitation of agricultural and mining resources have been directed towards export, thus guaranteeing low-cost raw materials, and how national companies have been privatised, a move which has considerably benefited the large multinationals.

The assistance offered by the IMF is never provided as donations or the cancellation of debt, but only as new credits, creating a snowball effect which end up making the situation even worse.

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Third World debt will never be paid off: the countries of the South have already paid back seven times the amount of debt that they had in 1980, but since then their debt has increased four fold! In other words, this is We are therefore looking at a 'permanent' mechanism which ensures the subservience of these Third World countries. This is why the complete cancellation of Third World debt is one of the preconditions for escaping from capitalist globalisation.



■ And in the North too

The public authorities in the rich countries have also been faced with serious payment problems. The fact that these problems have not reached the extent of the debt problem in the South can be attributed to the relative wealth of the countries of the North. Neo-liberal policies have gradually been imposed on a global scale in a bid to give precedence to the repayment of creditors. Around the world, the public authorities have been forced to reduce social spending and privatise many public companies to meet the demands of creditors. Countries allocate an ever increasing proportion of tax revenue to pay off the debt. This revenue increasingly tends to come from work, tax on capital and rebates on social contributions and ends up benefiting the companies which are in full expansion. What it boils down to is that paying off government debt is a way of transferring an ever increasing proportion of the salaries of workers and small-time producers to the rich who already have the capital. (For more information: D. Millet & E. Toussaint : "50 questions, 50 réponses sur la dette, le FMI et la Banque mondiale" [50 questions and 50 answers on the debt, the IMF and the World Bank], Syllepse, 2000. WWW.CADTM.ORG)

THE BOLKESTEIN DIRECTIVE

Frits Bolkestein, the Internal Market Commissioner at the European Commission from 2002 to 2004, gave his name to a draft directive on the liberalisation of services which crystallised debate about 'social Europe' in 2004 and 2005.

■ The Lisbon Strategy

The Lisbon European Summit in 2000 set the objective of making the European Union the most competitive service economy in the world. There are two important points to focus on here:

- We are aware that services, as opposed to industry, now occupy a central place in the economy.
- There is a desire to see Europe win the 'economic war' of services.

This economic war is already under way, but the implementation of GATS (General Agreement on Trade in Services) - as advocated by the EU and USA are - would see it waged with full force, and there would no longer be any national restraints capable of checking the resulting hostilities.

Bolkestein: A European GATS:

Against this backdrop, it is only logical that Romano Prodi's European Commission should have supported the draft directive drawn up by one of its commissioners, Fritz Bolkestein, which basically entails implementing a European version of GATS within the 25 EU Member States (see box). Liberalising services in the EU would lead to the creation of European giants, ready to dominate the world as soon as GATS had cast aside the national defences of services.

It was also entirely logical that all those who reject GATS should also oppose the draft Bolkestein directive. This is probably the first time that the public has been so keenly aware of a draft directive in a context where European issues are being less and less restricted to consideration by groups of experts and increasingly discussed by policymakers.

Now, in March 2005, it is still too early to say what will become of the draft directive, but it will certainly be a milestone in the history of Europe.

■ If the Bolkestein Directive was adopted by the European Union, what would it change?

Fewer rights for our countries

The directive would prevent the Member States from imposing conditions or stipulating measures to control a company which wanted to set up here as a service provider.

CONSEQUENTLY: your country would no longer be entitled to demand that services offered to people (children, disabled, the elderly) should be provided

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by individuals with such and such a qualification or with a specific standard of training. Nor would it be possible to impose environmental or safety regulations on these companies.

All the rights go to the company

This directive would enable companies which have their headquarters in any of the 25 Member States to provide services in any other Member State exclusively by conforming with the regulations in their 'country of origin'. Neither the nationality of the workers, nor the place where the service is actually provided would matter.

CONSEQUENTLY: if a company domiciled in Lithuania provides a service in Portugal (or vice-versa), it would only have to respect the laws of that country, and only a Lithuanian inspectorate would be authorised to monitor them. Who honestly believes that the services in one Member State will be able to control the activities in the other 24?

Less social protection

In principle, social legislation (governing salaries, social security and so forth) would not be included in this crazy system...**HOWEVER:**

- If the work is carried out by self-employed people, there will no longer be any limits: who can say whether tomorrow the job for which you earn a salaried employee might not be done by a 'self-employed person' selling their 'service' on behalf of a company (such as yours, perhaps) which has set up its administrative headquarters in Vilnius or in Budapest?
- In any case, with Belgian inspectorates denied the means of carrying out any sort of check, who will know whether a particular worker is an employee or not?

No more public services

Moreover, it would soon become impossible to maintain the provision of subsidised services (child care, health care, education, social assistance): European legislation deems that subsidies 'distort competition' – either everyone or nobody should receive them.

Can we imagine subsidising crèches, homes or cultural services which don't even have headquarters or a representative in the country and which would escape any statutory requirements or checks? That would be madness. And nobody could be subsidised any longer.

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THE IMF

The IMF was founded in 1944 in Bretton Woods (United States) on the initiative of 45 countries in a bid to stabilise the international financial system. Today, it has 184 member countries. Each of these members appoints a governor to represent it, who is normally the country's Finance Minister or the Central Bank Governor. They meet within the Board of Governors - the IMF's supreme body - which meets once a year in the autumn. It is responsible for making important decisions on matters such as the admission of new countries or the preparation of the budget.

■ 24 people + 1 (and a No. 2)

For the day-to-day running of its tasks, the IMF delegates power to the Executive Board, which has 24 members. Eight countries have the privilege of being able to appoint an Executive Director³. The 16 others are appointed by groups of countries: for example, a Belgian Executive Director represents a group composed of ten countries⁴. The Executive Board, which is almost exclusively made up of male members, normally meets at least three times a week.

The Executive Board elects a Director General for five years. Counter to all democratic principles, an unwritten rule reserves this post for a European. The German Horst Köhler currently holds this position and leads a team of 2,650 senior officials from 140 countries, most of whom are based in Washington DC. The IMF number two is always a representative of the United States and in reality he/she has the dominant influence. During the Argentinian crisis in 2001-2002, Anne Krueger, who was appointed number two by George W. Bush, played a far more active role than Horst Köhler.

■ A business logic

Unlike a democratic institution, the IMF works in a similar way to a company. All countries that become a member of the IMF must pay an entry fee called a 'quota'. As a result, the country becomes a shareholder in the IMF since it contributes to its capital. Unlike the UN General Assembly where each country has a single vote (with the major exception of the Security Council), the system adopted by the IMF is based on the principle of "\$1 = one vote".

These member contributions allow the IMF to build up reserves which are then lent to countries with temporary deficits. However, these loans are made dependent on signing an agreement which dictates the measures the country must take in order to receive this money: these are the infamous structural adjustment programmes. This money is made available in instalments, after a

³ *The United States, Japan, Germany, France, the United Kingdom, Saudi Arabia, China and Russia.*

⁴ *Austria, Belarus, Belgium, Hungary, Kazakhstan, Luxembourg, Slovakia, the Czech Republic, Slovenia and Turkey.*

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check has been carried out to ensure that the required measures have been properly implemented. As a general rule, a country experiencing financial difficulties can borrow up to 100% of its quota from the IMF per year and in total up to 300%, except in the case of emergency procedures.

■ For the benefit of the US

However, unlike a company shareholder, a country may not decide to increase its quota in the IMF to gain more influence within the institution. The only way to change the distribution of quotas is the revision undertaken every five years by the IMF itself and for which the United States has a blocking minority. The system is therefore totally blocked by the largest shareholders which jealously safeguard their interests. The IMF Executive Board gives the United States pride of place: it holds over 17% of the voting rights whereas, for example, the group led by Gabon, which represents 23 sub-Saharan African countries and over 140 million individuals, only has 1.16%.

But the scandal doesn't end with this biased distribution of voting rights. The United States are in total control since, in 1944, they managed to impose an 85% majority for all important decisions pertaining to the future of the IMF. Is it just a strange coincidence that the United States is the only country to hold over 15% of the voting rights? We can only regret the fact that the countries of the European Union, which together could also hold 15% of the voting rights, do not manage to reach an agreement to put this 15% to good use but instead always tow the line from Washington. But, it wouldn't actually change anything anyway. The American Treasury is king: it can block any change which runs counter to its views. The IMF's headquarters were not established in Washington DC by chance for the city it has lent its name to the infamous "Washington Consensus".

The economic logic upheld by the IMF constitutes using the weapon of debt to impose its neo-liberal policies whilst ensuring that the poor continue to pay their contributions to the banks in the rich countries. *(Extracts from a text by D. Millet and E. Toussaint)*

(For more information: Damien Millet and Éric Toussaint: 50 questions, 50 réponses sur la dette, le FMI et la Banque mondiale – Syllepse, 2002.)

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INVESTMENT

The French word "investissement" refers to the use of resources, and capital in particular, with a view to producing goods and services. The purchase or transformation of buildings or manufacturing machinery are examples of this kind of investment.

The English word investment, however, refers to managing financial assets. This meaning corresponds with the French word placement. This meaning does not necessarily include a link with any kind of manufacturing activity.

Investment, in the sense of creating new production capacities is one of the essential determining factors of economic activity. It is well known that the growth of employment in a region depends, in particular, on investment made in that region. By contrast, investment in the French sense of placement by purchasing financial securities (foreign currencies, shares etc.) does not create new activity.

By merging these two types of investment (investment for production and investment for financial return) in one term, the supporters of globalisation become, in turn, supporters of the investment protection mechanisms that would be rejected by parliaments and the public if they were clearly shown for what they are i.e. privileges for capital and speculation.

■ A thousand Bilateral Investment Agreements are the same as one good Multilateral Agreement on Investment

Since 1976, under the auspices of the OECD, there have been several (abort-ed) attempts to negotiate and implement a global investment protection system that would guarantee the free circulation of capital and ensure the definitive supremacy of the market society. A second attempted Multilateral Agreement on Investment (MAI) led by the OECD under top secret conditions was finally abandoned in 1998 under pressure from NGOs and developing countries that were kept out of the negotiations. This was one of the first actions - and certainly the first success - of the emerging anti-globalisation movement that was initially sparked by Le Monde Diplomatique's simple revelation of what was taking place behind closed doors.

It is therefore not surprising that, as a result, a flurry of Bilateral Investment Agreements (BIA) negotiated 'face to face' between two countries have emerged. Moreover, these agreements represent the basis for a future MAI as they gradually (and also more discretely and more effectively than centralised negotiation for an MAI in the glare of the media) piece together a framework to ensure that the objectives for liberalisation of capital are met.

The term 'investment' is found in many BIAs already signed by the majority of industrialised countries (see the extract from a definition used by Belgium included in the box below). If the definitions commonly found in international

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texts are compared (direct investment must be sustainable and productive, the investor must ensure a real presence in the host country etc.) it is clear that this concept of investment, and the international instruments dedicated to 'protecting' investment have the sole aim of endlessly increasing the free circulation of all types of capital (freedom to enter and leave!). For example, the concept of foreign direct investment (FDI), which the OECD focuses on, essentially involves acquiring companies (takeovers or mergers, for example) and not creating new activity.

Extract from a standard definition of 'investments' [taken from a model BIA signed by Belgium]

Article 2. The term 'investments' refers to all types of activity or capital, direct or indirect, in cash, in kind or in services, invested or reinvested in any sector of economic activity.

The following form a partial list of what are considered investments under this Agreement:

- a) Personal effects, real estate and all other rights (...).
- b) Stocks, shares and all other types of holding (...).
- c) Bonds, receivables (...).
- d) Royalties, (...).

Etc. No amendment to the legal form in which the assets and capital were invested or reinvested shall affect their classification as investments under this Agreement.

Article 3. The term 'return' refers to the sums produced by an investment and in particular, but not exclusively, the profits, interest, increase in capital, dividends, royalties or compensation.

Could it not be concluded then that 'protecting national investments abroad' should in fact be understood as the apparently less noble objective of 'allowing for the possibility of capital invested here today to relocate to another country where profits would be higher'? And beyond this free circulation, which has already been largely achieved, is it not clear that these agreements aim to pre-empt any decisions that governments in the Third World might take that could be damaging for the interests of a multinational in the North? (*Based on an article by J. Claude Deroubaix*)

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FREE TRADE

Situation in which no obstacles limit or restrict trade. In particular, free trade at international level requires the elimination of regulatory, tax and customs barriers.

Free trade is a theoretical concept which has never been properly implemented: countries have always wanted to protect their companies, their consumers, their lifestyle choices and so forth. It has been shielded by strong national protection that all the economies of today's leading countries in Europe and North America have developed.

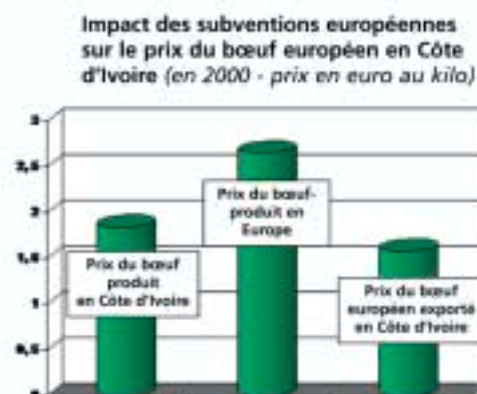
However, over the last 50 years international trade has become increasingly liberalised, a trend which has been driven forward by GATT and the WTO. Two theories have shaped this development:

- Historical theory: in 1947 (creation of GATT), the massive crisis of 1929 was still fresh in people's minds. They remembered how the escalation of trade sanctions between countries affected by the recession led to the closing off of markets and aggressiveness and, in some people's eyes, ultimately to war.
- Economic theory: liberal theory states that it is in a situation of free trade that all 'economic actors' make full use of their skills and resources, for example by specialising in what they do best.

In the light of these arguments, other people started to develop counter arguments. If closing off the nation state can lead to violence, ruining democracy with the strength of transnational financial groups can lead to more. And if the international division of labour⁵ is (sometimes) able to increase the amount of wealth produced, it also makes the distribution of this wealth more unequal.

Overall, it is necessary to know whether free trade has contributed and will contribute to people's happiness and existential security.

A look at reality, at the continuous increase in poverty, at the inequalities between countries and within countries, at the fact that the vast majority of people are subject to the interests of globalised capitalism, seems to show that this is not the case. The real reason behind the promotion of unbridled free trade can be found in the tale of 'the pot of clay and the pot of iron': the companies in the rich countries have become, thanks to a century of protected development, powerful



⁵ such as high technology in the US and Europe, low-end assembly in Southeast Asia and the South-East, cotton in Mali and so forth.

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enough to exceed the protection of the state. They want to enter into the markets in the South and the East and prevent the companies in these countries from one day being able to compete with them on an equal footing. The proof of this is that in the sectors where the Western companies are not the most competitive, such as in the agricultural or textiles sectors, the rich countries abandon their free trade mantra by limiting imports or subsidising their exports.

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MIGRATION

The migratory phenomenon is deeply rooted in the history of mankind. There were many reasons behind the domination of the planet by Man and we think of them as being the same as those which still incite people to brave the risks today in the search of a brighter future.

So, what is the situation of migration today? Firstly, it is important to point out that the largest migratory flows occur within countries themselves. In a country like Columbia, which is the victim of civil war, the number of internally displaced persons is estimated at several million. The second largest movement is cross-border movements. This is how the majority of refugees end up in Africa and Asia. Camps have been set up, in some cases they have been there for decades now, at the borders with countries where major conflicts are taking place: Congo, Tanzania, Burma, Thailand, Ethiopia, Jordan and so on. In total, it is thought that 90% of refugees and displaced persons live in the countries of the Third World.

However, the most visible phenomenon, since it receives the most media attention, is the attempt by Western countries to limit migration towards their countries. This fortress policy is applied using various methods: the Anglo-Saxon countries prefer selective immigration based on the demand for skilled labour. They also follow a 'poor workers' policy in order to find the least expensive and the least qualified workers amongst their own population. In other countries, immigration is often limited to the Geneva Convention. The right to asylum is designed for people who are persecuted as a result of their race, religion, belonging to a group (e.g. homosexuals in some countries), political opinion or..... These criteria are so restrictive that they actually encourage the establishment of illegal channels. As a result, the public authorities in different countries have launched huge waves of regularisation.

The sheer number of methods used to combat illegal immigration is impressive: port controls, closure of borders, sending applicants to other countries and the list goes on. However, this approach only increases the influence of the mafia gangs, for whom human trafficking has become a second business after trafficking of arms.

In the post-war period, the trade unions adopted a clear stance on the immigration policies advocated by employers: the only demand was strict equality of conditions (status, wages, social protection and so forth) between national workers and immigrants. In addition to the obvious reasons related to human solidarity, by doing this the trade unions were also defending the interests of their members: the presence of "second class" workers in a country, who received lower pay or were more oppressed, would have inevitably resulted in a decline in working conditions across the board.

This is, incidentally, what employers were looking for to a certain extent, and what they are still looking for in the blackmail opportunities offered by global-

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isation. The European Union's projects of selective immigration of workers, which are governed by special statutes, and the "Mode 4" of GATS, which means that people can be employed here under contracts and conditions similar to those of their country of origin, increase these blackmail opportunities and flout the unions' demand for equality.

By adopting the "stop immigration" stance in the 1970s, without having solved any of the crises which led people to leave their country of origin, the European governments saw a mass increase in new illegal workers. There were many of these workers, who became indispensable for the 'low cost' functioning of several sectors, but they had no rights, no wage scales, no social security... and no unions. This 'on-site relocation' (creating a mass resource of workers within our countries who are forced to work in Third-World conditions) gives rise, to a certain extent, to the liberal 'paradise'.

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GLOBALISATION

This term is used in very different contexts and given various meanings. To allow for a productive debate we take this term to mean the worldwide extension of:

- A method of production (capitalism, now in a phase of financial capitalism).
- An ideology and form of government (neo-liberalism).
- And cultural and trade domination (and when needed, military domination) by Western countries.

What you call globalisation is nothing more than the final phase of the Westernisation of the world ⁶

Several questions concerning the real nature of the process thus defined should be considered briefly - is globalisation a new process or an old one? Is it natural or political? Does globalisation tend towards uniformity or does it enhance differences?

■ A new process?

With regard to the supposedly 'new' aspect of globalisation, it is easy to see that the process is partly a continuous one, partly a step backwards and partly a new process.

The **continuous** aspect is the opposition of two different viewpoints ever since the capitalist method of production emerged (see first part of this brochure). The capitalist view was clearly identified by Marx in 1848 - anyone possessing capital can accumulate more capital and, to do this, must seek profits that continue to increase. All companies want to expand continuously through the absorption or elimination of their competitors and to achieve this all companies want to extend their markets across borders. Faced with companies' desires for domination, the workers' movement (in the broadest sense of the term) has, for two centuries now, opposed a social (welfare and subsistence protection), policy (real democracy and equality) and cultural (right to education and leisure) project. This conflict between profit for a few and dignity for all has never ceased.

The **step backwards** is evident in the proliferation of ideas and policies typical of the 19th century that can be summed up as the desire to eliminate the six fundamental elements of the 'European social heritage' - preventing these elements from becoming widespread in countries in the South and the East and weakening them in the West. In this sense, if we don't stop the process, globalisation will lead to a day when our children ask us why we had rights that they are no longer entitled to.

The new element involves the following two aspects:

- The impressive technical and scientific resources available to mankind, who, as always, can put them to both good and bad use: the Internet is weaving a web of solidarity in 'social forums' but it also allows jobs to be relocated to

⁶ Used by Sophie Bessis in *L'Occident et les autres : histoire d'une suprématie* [Western Supremacy *The Triumph of an Idea*]

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countries under dictatorships where wages are low; the biological sciences are curing illnesses whilst developing 'terminator' seeds that enslave farmers across the world to Monsanto.

- The second new aspect is that capitalism has finished by spreading across the entire planet - the South has been re-colonised, the former USSR is in the process of digesting it and China is on the verge of doing so. There are (almost) no more new markets to conquer, no more borders to cross for expansion. This is why the main predators, needing (see above) to expand endlessly, are turning against each other (explosion in the number of mergers and acquisitions since 1985) or against sectors that escaped capitalism in the past (public services and social security - see article on GATS).

■ A natural phenomenon?

The natural and inevitable character of globalisation is the modern equivalent of the 'divine right' of kings in past regimes - a lie that was very useful for rulers seeking to silence their subjects or to discourage them from thinking.

Globalisation of capital results from the actual choices made by the key players and is facing resistance from the public. It is therefore a political process in the fullest sense of the term.

The players

Refusing to see that there are major players on the international scene who orchestrate and benefit from globalisation is tantamount to dishonesty. With apologies to those we will no doubt forget, the following are the key players:

- Dominant multinational companies.
- Western countries (see G8) and the supranational organisations that they control (primarily the WTO, IMF and World Bank).
- NATO, following in the footsteps of the US army and its military-industrial complex.

To explain the coordinated action of this large number of very different players, is it necessary to refer to some sort of vague 'master plan'? Of course not! Two very powerful mechanisms that are very real are enough to explain this coordinated activity:

1. The existence of shared interests - would there be talk of a plot if there are traffic jams on the motorway on a Sunday in May? No - it would simply be observed that the existence of a shared interest led thousands of 'independent' players to act as though they were obeying the same order.
2. Lobby groups and networks - the US administration, for example, is officially sovereign and independent of multinational companies. However, it also emerges that all of its members sit, or have sat, on the boards of multinational companies, that they have all managed, and will all return to manage, multinationals in the oil, arms or finance sectors. In Europe, in much the same way, movement between the public services and powerful positions in the private sector has become the norm.

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Choice

It is impossible to describe in a single paragraph the choices that lead to the imposition of globalisation on people who do not want it, both in the North and the South. Besides, this is the aim of a large section in this brochure. We will simply mention only a few of the main choices made over the past 25 years.

- Mass privatisation of public companies and services.
- The re-colonisation of the Third World, primarily using debt as a weapon, with the double-sided result, that was pursued and achieved, of pillaging natural resources and destroying countries.
- Countries have transferred many of their sovereign powers to private bodies that are outside the control of democracy - see the article on the WTO - for example, the EU Member States have transferred their sovereignty over monetary matters to the European Central Bank.
- Policy choices made by Western governments, for example monetarism, mass unemployment, abandonment of policies for full employment, or the organisation of the total liquidity of financial markets.

Resistance

Finally, globalisation can be viewed as a political process, and therefore one that is not decided in advance, from the fact that it gives rise to resistance (see this article). Consequently, even if this is a flexible term that those in power use to mask old and new forms of exploitation, at the beginning of the 21st century everyone now knows that one must be either for or against globalisation.

Uniformity of polarity?

Seeing the same images on television in every country or the same films advertised, seeing a McDonald's on Red Square and the same brands of clothing in all shopping centres in every capital city could give the impression of a 'unified' world. But beyond these images, there are always more transnational rules handed down, sometimes by organisations or treaties, but more often by private companies (accounting standards, industrial ISO standards and so on).

It is perfectly clear, however, that the inequalities are greater than ever before and that these inequalities are increasing rapidly. It is essential that this clear paradox is addressed. The same rules and standards are implemented more frequently everywhere, but these are rules imposed by dominant players, whether governments (adjustment policies imposed on countries in the South via the IMF) or private employers (such as manufacturing standards imposed by multinationals on their subsidiaries and suppliers). The imposition of these uniform rules aims towards and results in the elimination of (legal or cultural) barriers behind which less developed countries protected their own development and options (see article on free trade*).

Harmonisation of rules therefore allows the strongest players (countries or companies) to control the whole field. That is why uniformity is synonymous with increasing polarity and a widening of inequalities. Harmonisation of rules therefore allows the strongest players (countries or companies) to control the whole field. That is why uniformity is synonymous with increasing polarity and a widening of inequalities.

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MONETARISM

*(With the help of the ' Dictionnaire des Questions Économiques
et Sociales' by Denis Clerc)*

Monetarism is one of the oldest economic doctrines in existence. It is based on the idea that money is 'neutral', that it is simply a means of exchange which affects neither the creation of wealth nor its distribution.

For many years now, the state has had a monopoly on the power to issue coinage. We know that during periods of crisis (unemployment, overproduction and so on), there is the temptation to use this power to print more money or, in other words, to generate a bit more money in a bid to stimulate activity.

However, for monetarists, it would be stupid for a state to want to re-launch the economy or promote social policies (e.g. building social housing) by printing more money. Since money is useless on its own and is purely a means of exchange between existing wealth, this approach would only lead to increased inflation (in other words, a reduction in the value of a currency when there is too much of it).

This simplistic vision was refuted by J. M. Keynes, the economist who largely inspired the political choices during the Trente Glorieuses (1945-1975): a sound monetary policy as a result of sufficiently low real interest rates, stimulates growth and allows a state to pursue, for example, a policy of full-employment. Why? Because people can see that it is cheap to borrow money, they tell themselves that it is worth investing and purchasing... and at the end of the day, new wealth is created.

The liberal counter-revolution in the 1970s (neo-liberalism) revived the doctrine of monetarism to the extent that inflation became a sort of ultimate sin: our countries can face anything: poverty, unemployment, precariousness for a third of the workforce... but not inflation. They therefore only issued new money with extreme care.

For many independent economists, this obsession with (almost) zero inflation, which results in high real interest rates, explains, in part, the fall in growth and investment over the last 20 years and hence also the continually very high level of unemployment.

Looking at this from a more political angle, we can also see that the cornerstone of monetarism is the idea that people know less than the market and that any political action taken relating to currency would end up triggering a catastrophe in terms of inflation. Therefore, we denigrate democracy (the people and its representatives are too stupid, or too irresponsible) and by using a player which does not exist (who is the market?) we neglect the fact that not issuing new money is also a political choice.

In conclusion: 30 years of growth and success of the Keynesian model have

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disproved the claim that a democratic monetary policy would be incapable of stimulating the generation of wealth in a country. This claim also omits to mention the distribution of this wealth. Low inflation, hence high real interest rates, protects the capital of those who have a lot. However, low real interest rates (at the expense of a little inflation) stimulate employment and growth and allow those without any capital to live in dignity.

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MULTINATIONALS

Private companies operating in several countries.

In addition to this formal definition which relates to thousands of companies, it is also possible to identify several hundred 'global' multinationals which dominate their respective markets and are able to have considerable influence over other companies and even over countries.

Companies have always tried to cross borders in a bid to bypass the maximum number of regulations laid down by countries designed to protect themselves, benefit their citizens, obtain income, manage national wealth and so forth. The simple fact of being a 'multinational' hence allows the company to partially free itself from national authority.

Successful companies grow and concentrate. In the majority of cases, when they reach a certain size, their development forces them to break out of the internal market, so that they can provide themselves with raw materials or find new markets. Often, the simplest solution is to set up business in partner countries rather than trying to conduct business in this country from outside which increases the number of risk factors and the instability of the company. To sell chemicals in South America, it is often easier to build a factory in the country – or to find a partner who will do so – rather than to make a product in the company's country of origin which must then be transported, unloaded, cleared through customs, approved and sold, all in order to make a profit which will also be liable to taxes, affected by exchange rate fluctuations and so forth.

The first multinationals based their trade on the raw materials markets, often in political collusion with their country of origin and the country where they were operating, or at least with the elites in that country. The Western capitalist countries which needed oil established balances of power which aided their supply, but it was the private companies that put these balances of power in practice. Colonialism works like that – leading to the creation of enormous companies which sometimes exploit entire countries. Today, the same mechanism exists under the guise of support for current regimes, which are rarely democratic and always support the commercial interests of companies which exploit their wealth. This is the continuation of the system of banana republics, in other words countries whose leaders are controlled by external companies and are replaced depending on the interests of these companies.

Currently, all companies have a tendency to become multinational in order to increase their markets, wipe out foreign competition by taking them over and exploiting and profiting from the differences in regulations, essentially in social and fiscal matters. All this contributes to the creation of concentrations whose wealth equals or exceeds that of many poor countries.

Such concentrations run counter to classic liberal theories since they lead to the creation of monopolies or oligopolies, in other words, the creation of a

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market where competition is distorted and the power of one single economic player becomes too strong. This type of multinational wields almost complete control, not only over its employees, but also over all small and medium-sized enterprises in the sector and over upstream sectors. The power held by the central purchasing offices of the major retail chains over suppliers of mass consumer products is an example of the violence of these 'market relations'. Another example is the complete power held by some automotive multinationals over the thousands of parts manufacturers which only deal with these multinationals.

The multinationals, at least the several hundred of them that have a strong influence in the sector, have therefore become key players in the 'consortium' (financial groups, dominant countries, the WTO, the IMF and the World Bank) which shape globalisation. (*For more information: www.transnationale.org*)

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NEO-LIBERALISM

A doctrine which is characterised by the adoption of the most radical elements of liberalism and by the predominance of the economy over everything else. For instance, 18th century classic liberalism included a political component (protection of human freedoms against abuse by state power) and an economic component (protection of free enterprise and the freedom to make profit). 'Neoliberalism' only retains the second component and has no qualms about associating itself with the most repressive, anti-civil liberties regimes (from Pinochet's Chile to Berlusconi's Italy).

The characteristic elements of neo-liberalism are summed up in what is known as the 'Washington Consensus'*.

By opposing public involvement in the economy and the welfare state, neo-liberalism is heading towards a huge step backwards and is calling the whole concept of 'European Social Heritage'* into question.

Neo-liberalism attempts to justify its dogmas in two stages, which must be criticised on two counts:

- It posits the existence of **natural economic laws** according to which a natural balance will be struck between production, distribution and consumption. All state intervention must be prohibited, market laws must not be hampered under any circumstances: the redistribution of wealth will occur naturally via the trickle-down effect (the wealth of the rich will end up benefiting the poor to a certain extent, all we have to do is wait).
- It demands that **economic interests** (growth, profit, investment profitability, financial yield) take **absolute priority**. Therefore, if there is a conflict between a social interest (e.g. keeping a public health system going in an African country) and an economic interest (e.g. paying off interest on debt), it is always the latter that takes precedence. Behind the closed doors of the business world, this is expressed cynically, but when directed towards the general public, the line taken is that the main objectives are of course social objectives (employment, the fight against poverty and so on)... BUT that the only means of achieving them are economic. Hence H. Schmidt's famous saying "The profits of today are the investments of tomorrow and the jobs of the day after tomorrow" was able to give the project of neo-liberal restoration of a company serving profit a social face for 30 years.

From the 1970s onwards, this doctrine started to be applied in some countries (in Great Britain under Thatcher and in the US under Reagan) before finally being adopted all over the globe and influencing policies in virtually all countries through the power of lobbies* and the neo-liberal hegemony in the supra-national institutions, such as the IMF* and the OECD*.

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• O E C D •

OECD

■ What?

- **Thirty** member **countries** which together produce **2/3** of the world's goods and services.
- The **committees** bring together the representatives of the member countries, who are either from the national governments or the delegations to the OECD in Paris.
- The **council** is made up of one representative of each country. These are either the ambassadors at the OECD or, once a year, the ministers.
- The OECD has 200 **specialist committees**, in which 40,000 experts are involved together with the secretariat. They enable the organisation to develop opinions on current issues or topics of discussion: food safety, education, organised crime, ageing of the population and so on. This expertise can be accessed directly via the network for national decision-makers.
- The **secretariat** (the permanent members of OECD) comprises 1,850 people including **700 specialists**. It is led by a Secretary General and four Deputy Secretaries-General. There is no quota system governing the choice of specialists. They have the status of international civil servants.

■ Why?

The OECD's predecessor was a body created by the US and Europe designed to accompany the Marshall Plan for reconstruction after the Second World War. The same criteria for gaining membership remains today, namely that a country is committed to the principles of the market economy and pluralist democracy. The aim of the organisation is to "provide a setting in which to discuss and develop economic and social policy".

■ What resources does it have?

The organisation has a total annual budget of **\$200 million**, which is divided up between the countries depending on their weighting and their economy.

This organisation has a strong unifying effect on approaches to social matters and, in particular, those matters which impact on the economy. The current approach is clearly neo-liberal. Much faith is placed in the efficiency of the market as regards the creation of wealth, well-being and technical innovation.

The OECD generates a network effect. By collecting data on national policies in a variety of areas, by comparing them and by measuring them against the neo-liberal approach, it encourages the countries to justify the choices they have made in favour of others. It presents a guideline that has won the trust of major investors, which themselves come from the countries with a significant presence in the OECD (the US, Japan and Canada).

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ILO

International Labour Organisation

The ILO is the oldest of the international organisations and was the first to seek to tame globalisation (and indeed the first to have the necessary tools to do so), well before the term was even coined. The ILO joined the United Nations System of Organisations and has a tripartite structure: governments, employers and trade unions. Its permanent secretariat in Geneva is the International Labour Office (ILO).

■ Origin and history

In the 1860s and 1870s, the embryonic workers' movement and some politicians began to express concerns about the awful social situations (working and living conditions) resulting from the frenzied exploitation of workers during the first decades of the industrial revolution. The priorities were to find regulations which could be applied in all industrialised countries to gradually eliminate child labour, to improve working conditions – especially for women – and to reduce the duration of the working day (12 to 14 hours per day without rest breaks or holidays).

After several attempts at the beginning of the 20th century, which came to nothing as a result of preparations for war (1914-1914), it was in 1919 that the ILO was established within the framework of the Treaty of Versailles. It was therefore set to control the economy using effective social measures (international labour conventions or standards) aimed at preventing social dumping, which was commonplace in the 19th and early 20th centuries. It is true to say that up until the beginning of the 1980s, the ILO was the main inspiration behind social policies in the world.

Three characteristics

- One of the oldest international organisations (1919).
- A global organisation: 175 countries are members.
- An original structure: the ILO is tripartite in its structure, management and activities, which means that it is made up of representatives of governments, employers' organisations and trade unions.

The four fundamental principles underlying its action were set out in 1944, during the International Labour Conference in Philadelphia. A declaration (now annexed to the ILO Constitution) defines the fundamental aims and objectives of the Organisation:

- Labour is not a **commodity**.
- Freedom of **expression and of association** are essential to sustained progress.
- **Poverty** anywhere constitutes a danger to prosperity everywhere.

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- All human beings, irrespective of race, creed or sex, have the right to pursue both their **material well-being and their spiritual development** in conditions of freedom and dignity, of economic security and equal opportunity.

■ Five compulsory fundamental rights

The ILO has played a key role in promoting fundamental social rights throughout the world. Above all, five fundamental rights, which are affirmed in eight long-standing ILO conventions, were reaffirmed by the Labour Conference in 1998 and are now compulsory for all ILO member countries:

- **Freedom of association**, of expression and of action, in particular for **trade unions**.
- The right to **collective bargaining**.
- Elimination of **forced labour** (still used today – see 'forced labour').
- **Equal treatment** for men and women and for all people irrespective of origin and social situation. This includes equal pay.
- Gradual elimination of **child labour**.

These fundamental social rights, which were adopted by the Labour Conference in 1998, are compulsory for all ILO member countries.

■ An annual parliament, a permanent office

The ILO's governing body is the **International Labour Conference**, which is a real global parliament for labour. It meets for three weeks every year in Geneva (headquarters of the Organisation). Over 2,000 delegates (employers, workers and governments) are involved in drawing up international labour standards and monitoring their application. Discussions are held on fundamental matters: recently matters such as the social dimension of globalisation, the future of the social security system and the situation of workers in the informal economy have been discussed.

In addition, the annual Conference establishes programmes and budgets and elects the Governing Body for a three-year term. Each group (employers, workers and government) has its own electoral college and elects its representatives in the Governing Body.

Throughout the year, the ILO is managed by a secretariat called the **International Labour Office** (ILO). The ILO conducts several programmes which are organised around the concept of "decent work" (fair, dignified, remunerative, fair working conditions) and involve social security, health and safety at work, equal treatment, vocational training and activities in individual sectors.

■ The ILO and globalisation

The victory of the market economy with its ideology, practices and marginalisation of social aspects, is poles apart from the ideas and values that the ILO seeks to promote.

The ILO has suffered the consequences of this: the employers group and some governments have been intent on weakening the ILO in recent years. The ILO seems to have emerged unscathed from this crisis but some people would like to limit its remit to that of 'fundamental standards' and prevent it from issuing conventions at a higher level.

The trade unions must support the political options which will allow the supremacy of the ILO standards to be affirmed over the demands of competitiveness or profitability laid down by investors. Most important of all is to make the ILO capable of imposing its standards on the WTO.

An ILO special pluralist Committee studies the effects of globalisation. It has highlighted several shortfalls in the social sphere as a result of the process of globalisation. Market interests are given greater priority than the interests of the people.

The Committee argues the case for this observation and proposes a series of initiatives because this situation must and can change with a view to achieving globalisation which promotes social justice and which creates decent employment and social protection with effective social, economic and cultural rights.

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WTO THE WORLD TRADE ORGANISATION

The World Trade Organisation, founded on 1 April 1994 under the Marrakech Agreements, is the successor to GATT. Today, the WTO has 144 member countries, which together account for 95% of world trade (following China's recent accession). Its official objective is to regulate international trade.

Its unique aspect is the fact that it is not based on a treaty, which is valid until further notice, but instead on a continual process of negotiation, according to the definition set out by its first Director-General, Renato Ruggiero.

The WTO is currently the most powerful international organisation in the world:

- Because it has the power to make regulations, apply them and sanction the countries that do not respect them.
- Because the regulations which it governs far exceed strictly trade matters – anything which could possibly be linked to trade, in short, all life on planet earth, is considered as falling within its remit.
- And because the WTO operates without transparency and in an oligarchic system which subjects member countries to the will of the most powerful countries (the European Union, the United States, Japan and Canada). Officially, each country has a right to vote... but no voting ever takes place! All decisions are taken by 'consensus', which ultimately means that they are taken under pressure from the most powerful countries.

■ AGAINST THE STATE

The WTO manages a set of trade conventions which are constantly changing. The objective of these conventions is to reduce the power of the state and the public sector. In fact, although the representatives of the states negotiate at the WTO, the majority of the time they negotiate on behalf of the multinationals which dominate their respective national economies. Of the agreements which are currently being negotiated, the most important are GATS and TRIPS. However, the founding members of the WTO (which are all members of the United Nations), deliberately placed the WTO outside the United Nations System. The WTO is therefore an international institution which is not at all obliged to act within the framework of the United Nations Charter or to take account of the Universal Declaration of the Human Rights.

Under the guise of economic development, the WTO claims the right to unilaterally condemn states which hinder, for any reason at all, the interests of the global economy. It prevents a country from taking account of aspects other than trade in a law, a treaty or trade negotiations. The example of hormones in beef shows this clearly: the European Union was condemned because, for food safety reasons, it banned imports of meat coming from cattle which had been pumped full of hormones in the US. The US filed a case

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against the EU and the WTO's private and confidential 'court' ruled in their favour.

Accordingly, the WTO enables a state, or even a company represented by 'its' state, to attack and have a government condemned which merely applies the agenda that it was democratically elected to implement.

■ 'NON- DISCRIMINATION'?

Human relations are likened to trade relations. They are therefore subject to WTO regulations which demand that no discrimination is permitted to take place. This seems like a kind, selfless demand - but the WTO uses the word 'discrimination' to mean taking into account any individual or collective specific conditions.

Each country is obliged to treat foreign companies in the same way as it treats national companies and this must be complied with unconditionally. In the end, no country will have the right to implement specific industrial, economic or commercial policies which take account of the specific nature of the country or national priorities and needs. This is dangerous in the rich countries, but it is even more dangerous in the developing ones. All countries will have to abandon their own legislation and subject their citizens to world trade regulations which by their very nature favour the strongest countries.

■ AGAINST DEMOCRACY

The principle of free trade, which is treated as sacrosanct, jeopardises a range of social priorities such as: public health, democratic teaching, the principle of precaution as regards the environment... and even democracy! In fact, the regulations imposed by the WTO deregulate the state which can no longer create legislation in the interest of its people, according to their needs. Instead, it is obliged to create legislation along the lines prescribed by the WTO – in other words legislation with no restrictions for companies (whether these restrictions be economic, social or environmental).

Unlike GATT, the WTO was founded independently of the United Nations Charter. The concept of 'human rights' is consequently ignored by the new organisation which considers itself, and actually is, above all the other international organisations, including, for example, the ILO.

It is therefore necessary to adopt a firm stance as regards various projects which, under the pretext of making the WTO more 'social', actually have the intention of increasing its area of responsibility. Advocates, for example, of 'corporate social responsibility' but also some trade unions, are currently calling for the WTO to be made responsible for the application of 'social clauses' in international trade – this would be like getting the big bad wolf to look after a flock of lambs. The opposite is needed: the WTO and international trade

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must be made subject to UN regulations and the ILO fundamental conventions.

(For more information: Susan George: "Remettre l'OMC à sa place", Attac/Mille et une nuits, 2001. OMC: acteur du processus de la globalisation ; Manuel sur le fonctionnement (The WTO: a player in the globalisation process; manual on the workings of the WTO) (CMT, November 2004) - www.gats.org

THE UN (The United Nations)

The UN is an organisation which aims to bring all the countries in the world together with a view to enabling them to work together whilst respecting a Charter, the main aim of which is the security of the countries and the creation of a climate of peace.

In traditional theories, states are the only 'official' players in international relations. They discuss matters amongst themselves - normally in talks between just two states though in rare instances several are involved - they draw up treaties and help or attack each other. They use all means available to further their interests, which differ greatly between states. This method of organisation of international society is the 'natural' method: it has become established by practice over several centuries.

The idea of creating an institution designed to enable more sophisticated ways of conducting discussions, was not put into practice until the 20 century. The first attempt was in 1919 with the League of Nations, which essentially turned out to be a failure. The second attempt emerged from the ruins of the Second World War and the United Nations was officially founded in 1945, taking the name of the victorious coalition in this conflict.

The Charter, to which the nations adhere, prohibits war and promotes peace and security. But, it also goes further than that by giving cooperation between nations' wider objectives such as the respect for human rights, the affirmation of the right of peoples to self-determination and the commitment of the members to "promote social progress and better standards of life in a larger freedom".

The UN is divided up into various bodies: the General Assembly, the Security Council and the Secretary-General. The UN has also set up 'specialised institutions', which mainly aim to promote material or cultural well-being : the IMF* and the World Bank* are in fact UN specialised institutions, as are UNICEF and UNESCO.

■ PROSPECTS

The UN is often criticised for being ineffective because many wars have taken place since it was founded. It would, however, be better not to judge the organisation at face value and instead to view it as representing considerable progress in international relations. The organisation played an active role in many crises, both diplomatically and by providing material assistance (the 'blue helmets', help to refugees and so on). Although, in the majority of cases, it was unable to play the key role that some people want to see it play, the UN has often prompted international players to modify their stances and even their intentions. The recent Iraqi crisis is a case in point: admittedly the attack did

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occur, perhaps even in line with the planned timetable, but the UN provided a forum for discussion which radically changed the geopolitical context of this attack. International policy remains the responsibility of the individual nations, whose relations are selfish and governed by the principle of survival of the fittest. But it can no longer give completely free reign to the arbitrary nature of power: the UN introduced a factor of civilisation where there was not one before.

Moreover, the UN is also very active in areas that are less prominent than international tensions. According to the Secretary-General, these are the Organisation's main areas of activity.

In an international society where supposedly sovereign states are increasingly subject to economic diktats, the UN also has a paradoxical role: it permits the existence of any multilateral tool which essentially fosters a dominant liberal model (IMF, World Bank, WTO and so on) but, on the other hand, it paves the way for international law which is becoming more civilised and a global society which is being established. The development of the right of interference and the creation of an international court for example are indications that, despite slowness and errors, it is possible to make globalisation advance in the interests of progress.

■ UN REFORM?

Several projects are underway to reform the United Nations. They aim to keep the same principles but above all develop more efficient instruments for the universal implementation of human rights and permanent actions for world-wide social and economic security. The Declaration of Human Rights and the two related pacts must be monitored constantly and it must be possible to impose sanctions for contraventions (obligation of all member states to undertake to guarantee these rights in their countries and a ban from joining the Commission on Human Rights for countries contravening these rights and so forth).

It is also necessary to set up an **Economic and Social Security Council**, via a process of cooperation between the international institutions, which would represent all the regions of the world and all social and economic actors. The Economic and Social Security Council must have real powers and would be responsible for devising regulations and procedures for applying them in a bid to monitor the markets democratically and set priorities for all institutions to fight against precariousness and poverty and impose social and human objectives on economic, commercial and financial activities.

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INTERNATIONAL INSTITUTIONS

There are many international organisations and institutions, the majority of which form what is known as the United Nations System and date back to the end of the Second World War (see table).

This glossary provides more detailed information on the most important organisations for our trade union work (in bold in the table).

The International Institutions

In the United Nations System

- **The UN (the United Nations)**
- **The International Monetary Fund**
- **The World Bank**
- **The International Labour Organisation**
- The World Health Organisation (WHO)
- UNESCO (culture, education)
- The FAO (agriculture)
- UNHCR (refugees)

Outside the United Nations System

- **OECD** (studies of industrialised countries)
- **WTO** (the World Trade Organisation)
- **NATO** (the North Atlantic Treaty Organisation)

All these institutions are in fact led and controlled by the same countries (the US, Japan, all the EU Member States and so on).

■ International standards: what is the role for our countries?

The dominant countries generate standards within the international institutions, but according to a hierarchical structure:

- Compulsory standards on the economy, finance and trade (IMF, World Bank, WTO).
- Optional standards on social matters, health and education (ILO, WHO, UNESCO).

This means that the same country could have very different, and even contradictory, options during the same year in two different institutions.

This schizophrenic management of countries undermines democratic global regulation.

Initial action should be taken at national level to hold the countries to account in reports which are then discussed publicly (national parliaments, organised civil society, the media). This is why countries should commission an objective report regularly, and at least once a year, outlining the stances adopted by their government in the different international institutions (position of the country, final vote, consistency of the positions and so forth)

This public report, which will be presented to the elected representatives, the national institutions and organised civil society, should be the subject of a debate and relevant follow-up.

NATO **(North Atlantic Treaty Organisation)**

The NATO military alliance was created in 1949 and, under the aegis of the United States, brought together countries in the geographical area of Europe and the North Atlantic that felt under threat from the Soviet Union.

NATO follows the framework of the Charter of the United Nations which means that member countries make a commitment to refrain from the threat or use of force to settle international disputes. This prerequisite means that the Alliance is a classic defence alliance that organises the legitimate right to defence provided for under the UN Charter - any attack against a signatory country in a specific geographical area (the territory of the signatory countries and their ships and possessions in the Mediterranean, the Atlantic area north of the Tropic of Cancer) is considered to be an attack against all signatory countries.

Over time, the Alliance has developed a complex institutional structure that gradually incorporated military commands and replaced military cooperation by greater political cooperation. Since 1949, the Treaty has also explicitly stated that signatories must develop the conditions required to guarantee stability and well-being and seek to "eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them."

Since 1949, the Alliance has grown in size and shaped relations during the Cold War - Greece and Turkey joined in 1952 and the Federal Republic of Germany joined in 1955 (which led to the creation of the Warsaw Pact - a similar grouping in the Eastern bloc).

The Alliance is a typical example of international relations during the second half of the 20th century, a period during which there was a move towards the prohibition of war and the promotion of peace and prosperity as fundamental values. NATO is therefore an institution where military aspects dominate but are concealed entirely behind pacifist codification (whosoever desires peace prepares for war) and are apparently subject to the fundamental requirements of non-war-mongering democracies - well-being in security.

However, NATO remains based on a classic balance of powers and is therefore organised around the hegemony of the United States. Membership of NATO implies membership of an area of economic prosperity that shares converging ideologies and this is precisely the approach which must be taken. The best example is Spain and Felipe Gonzalez - after being elected as the spokesperson for a group who fundamentally opposed membership, Gonzalez became the advocate for the 'yes' vote in the country's referendum because he believed that membership of NATO was the only way to guarantee the country's development. NATO is therefore made up of countries that are militarily subordinate to the United States and whose economic freedom is controlled by military dependence.

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This is therefore why new members (Poland, Czech Republic etc.) were also recently seen to be quick to support the United States during the Iraq crisis and support NATO over the European Union despite the fact that the actual content of the treaties should have led them to consider their links to Europe as much more important.

Today, although NATO has lost its enemy, it strives to preserve its existence by seeking out its missions, albeit with great difficulty. In this way it reminds its member countries of their weakness in military terms, thus highlighting their need to always take account of America in their national policies in all matters. This is therefore why new members (Poland, Czech Republic etc.) were also recently seen to be quick to support the United States during the Iraq crisis and support NATO over the European Union despite the fact that the actual content of the treaties should have led them to consider their links to Europe as much more important.

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EUROPEAN SOCIAL HERITAGE

The term European Social Model **currently refers to a series of laws, rules and practices that reflect a real social dimension in Europe. However, the choice of the word 'model' is rather unfortunate:**

- Instead of having just a single model, there are several national ones (see *Workers' representation in Europe*)
- Within the European Union, rather than seeing a 'model' in action, we are witnessing a growing social deficit and an imbalance compared to the European Monetary Union (see *European Union*)

Rather than a 'model', we would prefer the term 'heritage' since there is an identifiable heritage shared by Western European countries. The word is an important one: in the contemporary sense, heritage is what rich people leave to their descendants and which they themselves once inherited from their ancestors. For the vast majority of people who did not inherit much and will not leave vast fortunes to anyone, their 'heritage' is the collection of rights inherited from the century's struggles, and it is central to the legacy we will leave to our children.

Although the industrial revolution of the 19th century and savage capitalism left populations with NO RIGHTS, at the dawn of the 20th century a certain 'social heritage' was already beginning to emerge, which then went on to establish itself and spread in all European countries – always based on the same principles, though implemented in different ways – until 1975.

This social heritage can be divided into six key areas, applying throughout Europe and ignored (and envied) almost everywhere else:

- **Social security:** borne out of different forms of mutual insurance of risks (illness, accidents at work, unemployment, and retirement), social insurance tools, solidarity and distribution of income. The social security system also paves the way for gradual emancipation in relation to work: individuals receive an income, without being forced to work tirelessly every day of their lives;
- **Collective agreements** (collective bargaining and collective agreements): instead of approaching his or her employer alone, there is a more equal balance of power if an employee joins forces with other workers when approaching management.
- **Civil liberties and universal suffrage:** for a long time only proprietors were entitled to vote. This privilege was gradually whittled away but not without resistance; men were the first to receive the vote, followed some time afterwards by women. But immigrants have yet to be granted the right to vote, even if they are legally resident in a country.
- **Education for all:** until around 1910, child labour from the age of 6 or 7 was commonplace, and abolishing it took a 70-year battle: It was not until 1920 that child labour was prohibited for children up to the age of 12 (see Education). More broadly speaking, health and all public services are part of our European heritage.

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- **Social laws:** are compulsory for all companies (working hours, health and safety at work, vocational training, equal treatment and so on). In the 19th century, the business world believed that it was the only element of society qualified to decide on economic and social matters. There was no question of the State laying down the law, especially not in social matters (compare this situation with today's European Union).
- **Public services** which guarantee everybody decent access to basic services, such as water, energy, transport, education, health, social protection for people of all ages, culture and so forth. All these services are essential for a life of dignity.

All these rights, which were wrested in the face of resistance from businesses and reactionary forces, have contributed towards the social cohesion of European companies and helped boost their technological and economic capacities. Although some progress was made back in the early days of the European Union, it always proved very difficult.

40 years ago a Belgian trade union leader (Gust Cool, President of the CSC) gave a clear analysis of the situation:

"Whatever was accepted at national level was done so reluctantly. Capitalist forces saw European construction as an opportunity to take back at European level all the authority which they had been forced to share at national level".

■ How is national heritage being taken on board by the European Union?

Within the European Union, the unions have tried, from the outset, to ensure that European legislation takes on board – and improve on – the respective Member States' social heritage (see the quotation by Gust Cool).

The EU has preserved and indeed consolidated that heritage in a number of areas, such as gender equality, certain aspects of the protection of health and safety at work, and so on.

By contrast, the general concepts underlying European construction, and, in particular, those adopted by the Maastricht Treaty, have jeopardised and undermined social legislation in the Member States, without any realisation of when or how Europe might be able to establish for itself strong, democratic governance structures and succeed in imposing social priorities.

This begs the question of whether the European Union is a component of the global market economy and a driving force behind neo-liberal globalisation, or rather an alternative political, economic and social structure based on a unique social heritage?

There is no straight answer to this: the European Union is both these things at once. It is one of the capitalist world's poles of development thanks to its commercial and technological might and the clout of European firms in the international arena, and its domestic and foreign policies are imbued with the spirit of neo-liberalism.

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But the European Union is also a political structure that mediates between governments, political parties, members of the European Parliament elected by universal suffrage, and the actors in civil society.

So there are openings to take action and arenas of contention, negotiation and opposition, all based on Europe's social heritage.

The struggle for 'a different Europe' appears to be an essential step towards a different kind of globalisation geared towards enriching the social heritage we hand down to future generations.

■ The opponents of social heritage are still active

Acting as irresponsibly as ever with regard to the future, employers, businesses and the political forces which advocate their views have shown their hostility to the European social dimension during debates on the Charter of Fundamental Rights of the European Union and in work related to the European Constitution.

Similarly, European employers have done all they can to hinder the negotiation of European collective agreements, as provided for in the EU Treaty.

■ Social heritage is now being challenged

Is social heritage being called into question one more?

There have been various attempts to challenge the core of our social heritage via:

- The general spread throughout Europe of less secure jobs and the deterioration of working conditions.
- The deterioration of social security systems.
- The deterioration of collective bargaining and relations between employers and unions.
- The weakening and partial privatisation of public services.

Social heritage can be strengthened through texts (like the Charter of Fundamental Rights of the European Union, and by attributing roles to the respective social and economic actors, and via European collective agreements and collective bargaining) and policies (the amended Lisbon Strategy, social inclusion and so on).

The struggle for 'a different Europe' appears to be an essential step towards a different kind of globalisation geared towards enriching the social heritage we hand down to future generations.

STRUCTURAL ADJUSTMENT POLICIES

Structural adjustment policies are policies imposed by the IMF* and the World Bank* on countries in dire financial straits. The recipient countries must agree to these policies in order to receive 'aid' (i.e. the loans they urgently need) from these institutions. The objective of these plans is to put the countries in the South back into a position where they can honour their debts. To this end, the countries in question must adopt a monetarist policy, drastically reduce government spending -- even if it means abandoning social policies -- and focus all of its economic strength on exports.

The structural adjustment policies must be seen for what they are -- the precise, practical, country-by-country implementation of neo-colonial* relationships inspired by the Washington Consensus*. The same dominant players (such as the USA, Europe and the IMF), who in the 1960s rejected demands for structural reform from Third World countries looking for a 'new international economic order', are now imposing these structural adjustments. In other words, national democracy and human rights now have to adjust to the constraints of profit and accumulation of capital.

■ Drastic reduction in public spending

To achieve economic balance, structural adjustment plans impose severe cuts in 'non-productive' social budgets (education, health, housing and infrastructure), salary freezes and public sector redundancies. Naturally, cutting social budgets has a direct impact on citizens.

Moreover, these policies force countries to abandon subsidies for essential products such as bread, rice, milk, sugar and fuel. To compensate for the absence of a guaranteed minimum wage, Third World countries have traditionally intervened to keep the prices of basic foodstuffs and other essential services at an affordable level. The IMF and the World Bank say that such subsidies must be withdrawn. The poorest people feel the effects of this action immediately. Prices for basic foodstuffs increase and the price of fuel (needed to prepare food) skyrockets. It therefore becomes very difficult for people to cook food and boil water so that they can drink it which in turn leads to the spread of diseases such as cholera. This is exactly what happened in Peru after President Alberto Fujimori applied a structural adjustment policy in 1991.

The cost of public transport also shoots up, affecting market garden businesses. Small farmers who have to transport their products to urban markets are affected by these price increases. A lower level of available daily calorie intake, price inflation and a lack of economic activity are the major consequences of the structural adjustment plans. The following are but a few examples:

- In 1991, Peruvian President Alberto Fujimori applied the IMF and World Bank's orders. Overnight, petrol became 31 times more expensive and bread 12 times more expensive; the minimum wage has tumbled by more than 90% over 15 years.

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- In 1989, riots broke out in Jordan and 12 people were killed following the announcement that the IMF had imposed an increase in the price of fuel oils.
- In May 1998, subsidies for basic products in Indonesia were withdrawn leading to large-scale riots. In February 2000, following an agreement with the IMF, the Indonesian government increased the price of fuel oil by 30% and the price of electricity by 20%, while drastically cutting education and health care budgets.

■ Devaluation and monetarist policy

Devaluing local currency means making a currency cheaper in relation to the dollar or the euro. In principle, this should make it easier for countries to export to other countries that want to pay in dollars. However, this also increases the price of imports with the result that life becomes ever more difficult for individuals and companies. Moreover, to repay debts, which are generally in dollars, more goods need to be exported. But this is absurd since the same approach is applied to several countries at the same time, or rather to all poor countries sooner or later.

Consequently, the real impact of devaluation is an increase in the cost of living, an increase in debt in real terms (since more goods have to be exported to repay it) and a downward spiral of competition between poor countries.

At the same time, structural adjustment policies impose monetarist policy on the countries concerned, i.e. high real interest rates and no possibility of credit. The theory is that this will attract investors, but what kind of investor (apart from short-term speculators) is going to risk investing money in a struggling country under the pretext that its national bank will impose high interest rates? The real result is that small producers are strangled by debts in local currencies and the country's internal debt is increased.

The combination of these options, mercilessly imposed on countries that do not have a choice prompted J. Stiglitz (former World Bank Senior Vice President) to say that the IMF's policies were incomprehensible in reference to the organisation's official noble aims, but if the organisation is examined from the view that its objective is to serve the interests of the financial community, then its actions make sense.

CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility, or CSR, is a management approach for companies wishing to integrate sustainable development concerns. It is based on a belief that the companies in question have something to gain by developing 'social' or 'ethical' practices.

In Europe the issue gained a substantially higher profile in the 1990s, essentially in large companies, whereas in the USA it has been common practice for some time.

The European Commission has made CSR a major issue. It therefore intends to encourage CSR practices that can take the form of communication tools (labels, codes of conduct, charters, commitments and so forth), reporting tools (social reports and assessments) and finally ethical investments.

■ Why do companies want to be 'social'?

With the advent of industrial capitalism in the 19th century, the severe destitution amongst the working class and the beginnings of the trade union movement prompted fear amongst business leaders that the law would impose obligations on them or limit their absolute power. It was at this time that they began to develop paternalistic policies which offered advantages to workers and their families. Today, as was the case back then, a company which fears having legal or contractual obligations imposed on it often prefers to make 'voluntary' pledges.

In Europe at least, unlike in the USA, where the link between business and charity has remained extremely important, we have escaped from this paternalistic logic thanks to the general spread of social security and of labour laws - first and foremost those laws enabling collective agreements to be imposed. It is clear to us that a law which has been passed democratically and applies to everyone or a restrictive collective agreement represents a huge step forward compared to the era of 'generosity'.

■ Codes of conduct and labels: Who issues them? Who monitors them? And who should potentially be sanctioned?

Today, there are many different labels, usually issued by private audit offices, sometimes together with NGOs and/or trade unions. This situation leads to confusion and to the unacceptable paradox that many 'voluntary' labels or codes of conduct actually fall well short of the measures stipulated by law or set out in Fundamental ILO Conventions. For us, the basic principle is 'the law comes first'. Therefore, instead of 'rewarding' companies that claim to be doing good, companies that do not respect their obligations ought to be punished.

At national level, we therefore prefer the law to 'voluntary codes'. But who should issue international standards? This is the main role of the ILO, a role it has already assumed on numerous occasions.

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Secondly, who should be responsible for VERIFYING the implementation of these standards in practice? Our experience of trade unionists shows that it is freedom of association alone that enables those people directly affected, i.e. workers, to latch onto standards which protect them and demand that they be applied, by establishing a sufficient balance of power. In actual fact, apart from the very clearly targeted campaigns, e.g. on agricultural products, monitoring by inspectors and audits proves difficult, expensive and uncertain, particularly in cases involving subcontracting, intangible services, composite products and so forth. Methods that can be applied to bananas or coffee are difficult to apply when dealing with a car or a piece of software.

Surely care must be taken to ensure that it is not the victims who end up getting punished. For example, if a multinational does not respect compulsory social rules, boycotting it is not an optimal weapon since it will be the workers who are likely to suffer as a result. This is another argument in favour of providing for legal instruments that are capable of penalising the multinational itself.

■ How about the relationship with international trade?

Many discussions focus the application of CSR on international trade. This is absurd and dangerous. It is absurd that child labour is treated as a scandal if it is used to make a toy in China which is then sold in the West, but not if the toy is made in China and then sold there! Yes, international trade is an activity that must respect social requirements, no more and no less than any other economic activity.

It is dangerous, too, because combining 'social responsibility' and 'international trade' could result in the former being subjugated to the demands associated with the latter. Everyone is convinced of the extremely negative role played by the WTO with respect to health, well-being and fundamental human rights in the North, and even more so in the South. In this context, we think that it is irresponsible and extremely dangerous to allocate the WTO any tasks or responsibilities to do with social standards. The European Union's views on this point are ambiguous and hypocritical, for it wants to include social standards into the WTO's tasks and believes this would yield two advantages, firstly by coating globalised capitalism with a 'moral varnish' affording it legitimacy and secondly by increasing the power of the WTO which is - let us not forget - the most powerful and least democratic organisation in the world.

■ The matter of ethical investment

The final point in this brief overview of the issues associated with CSR concerns the highly fashionable concept of 'ethical investment'.

Firstly, one of these words conceals a lie, for 'investment' here has nothing to do with the action of investing to produce, create, develop or whatever. Here

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it simply means depositing money with the aim of obtaining a pension , generally with no actual investment being made at all. It is an important distinction, for people talk of investment, but in truth it is the pension that is being promoted. Do we really have to mention the fact that pensions are ALWAYS deducted from the wealth generated somewhere by workers?

Then we can also see that in Europe at least, talk on ethical investment serves mainly to 'sell' the idea of PENSION FUNDS to the general public.

Finally, there is a technical problem which undermines the sweet talk about ethical investment. Your bank guarantees you that the money from such and such a deposit will not go to the arms trade and you applaud this. But what it fails to tell you is that only a few percent of the money it receives is subject to this condition. Since no bank, generally speaking, awards 99% of its loans to arms dealers, the commitment made regarding your deposit doesn't cost anything...and doesn't change anything either!

■ Trade union perspective

The issues of codes of conduct, private labels and so-called 'corporate social responsibility' make up the context in which a debate stemming from the 19th century is being held at the dawn of the 21st, a debate in which the democratic welfare state is pitted against paternalism and 'private law'.

The real question is how we are going to win this historic fight again, and this time not just within our national borders, but on a global scale. Who can honestly believe that Microsoft, McDonalds or Vivendi will spearhead this struggle today?

PUBLIC SERVICES (or services of general interest)

A company managed and/or controlled by a government and which is intended to meet a need deemed important to the general public or the community. Depending on the different European countries, these services are provided by the government or by partially privatised organisations that are subsidised by public funds and are required to provide a service to the public. At European level the term 'services of general interest' covers this wide range of types of organisation.

■ Major social progress

'Public service' is a 20th century invention. Countries have long been content to wage war beyond their borders, have police within their borders and mint currency. It was universal suffrage and the labour movement that introduced the need for real public services for citizens, catering for a growing number of needs: schooling, health, transport, energy and so on.

Three elements are required to create a public service and ensure that it functions correctly:

- Adequate funding, either general funding (with contributions made by all citizens via taxation), funding restricted to users (user tariffs), or – the most common option – a combination of the two (for example, health care or public transport).
- Rules and regulations on the provision of services (continuity of services, equal access and so forth).
- A public sector monopoly of consent or approval (for example teaching qualifications).

The decision by a society to include an activity in the realm of public services rather than in the private sector is in principle meant to:

- Avoid **price competition** and therefore impose quality standards. Not run-down train services like those in the UK, no private schools run by charlatans, and so on.
- Prevent **competition over costs** and therefore protect high-quality jobs. In all countries, the civil service has been a trade union stronghold, and Keynesian governments have often used 'generous' social policies in the civil service to attract workers from the rest of the 'labour market'.
- Prevent **the poor from being excluded** and therefore boost equality. Real democracy must include this dimension; the right to vote without the right to housing, to health, to free education and so forth is pure fiction.

■ Three problems

Without seeking to question our commitment to the European model of strong public services, we should nonetheless highlight three major limitations to the principles mentioned above:

- Firstly, most people around the world have never benefited from these ser-

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vices, either as a result of liberal policies (in English-speaking countries) or as a result of their countries' poverty (Third World). The right to public services must be a universal right; indeed it comprises part of the fundamental rights proclaimed by the UN and the ILO.

- Secondly, governments have often used 'public services' for far less honourable ends. Invoking the motto 'privatise the benefits and socialise the costs', loss-making services have been nationalised, not to serve the people, but to preserve the interests of other private – and profitable – sectors.
- Lastly, public funding for public services requires extensive legitimacy. Citizens must know and feel that a public service represents real progress for them. What if instead of emancipating society, schools reproduce the hierarchy of social classes and direct poor children towards poor people's jobs? What if public transport doesn't work properly or stations are closed down?

These weaknesses, and above all the forcefulness of the liberal offensive, have resulted in the notion of public service, and sometimes even the trade union movement, being somewhat discredited. Moreover, the European Union and the World Trade Organisation are extremely powerful agents of privatisation, as is the IMF, thanks to the weapon of debt. The notion of 'universal service' – a private and hugely weakened version of the public service – only goes a very short way towards meeting the objectives of the public service. Defining public services or services 'of general interest' is a major political challenge in Europe. For proof of this, look at the major difficulties that have arisen over the last few years in connection with attempts to draw up a European directive on services of general interest.

■ The greatest theft of all time

The mass privatisation of public services was one of the major economic events of the end of the 20th century and, according to Gérard De Selys, the greatest theft all time. Doug Hellinger, a former consultant to the World Bank, claims that it is the largest transfer of public property to the private sphere that we have ever seen. Between 1980 and 1995, over 6,800 state-owned enterprises were privatised, mainly in the countries of the former Eastern bloc and in the Third World. And this figure does not include public companies that were quite simply liquidated. Prize assets in the South and East fell into the hands of Western multinationals, which – together with the respective local elites – were the main beneficiaries of these privatisations. Such mass privatisation met several objectives on the neo-liberal agenda, including weakening the unions, enabling the takeover of state companies and the seizure of national resources by multinationals and the transformation of the economy into a huge market, through the issuing of millions of new shares which fuelled the stock market miracle of the 1980s and – for a while – justified the utter fiction that the stock market was being made democratic.

(For more information, see: G. De Selys : "Privé de public. A qui profitent les privatisations ?" - EPO – 1995 – 200 pp. Eugène Mommen : "Qualité publique et critique civile: debout les usagers!" - Labor – 2002 – 96 pp.)

THE EUROPEAN UNION

Some key dates

- 1951:** ECSC Treaty. A shared authority with European coal and steel resources. Important social measures for workers in these sectors.
- 1957:** European Atomic Energy Community Treaty and European Economic Community Treaty signed in Rome.
- Confirmation of the choice of European political and economic integration. Establishment of the institutional set-up. The EU is dedicated to promoting economic and social progress and a high level of employment.
- 1973:** Enlargement of the EEC (9 countries) to include Ireland and the United Kingdom.
- 1974:** First social directives.
- 1979:** First direct elections to the European Parliament.
- 1981:** Greece joins the EEC (10 countries).
- 1985:** Project to set up the single market. Neo-liberal stance adopted.
- 1986:** Portugal and Spain join the EEC (12 countries).
- 1986:** The Single European Act reforms the Treaty of Rome:
- creation of the single market accelerated
 - priority given to economic concerns over the social
 - health and safety at work included in the measures of the single market and
 - acknowledgment of European Social Dialogue and potential European contractual arrangements.
- 1990:** Decision to swiftly set up a Monetary Union with an independent Central Bank – towards a single currency
- 1991:** The Maastricht Treaty. Establishment of strict monetary and budgetary discipline. Social matters made contingent on the need for competition.
- 1993:** Single market created.
- 1995:** Austria, Finland and Sweden join the Union (15 countries).
- 1996:** Treaty of Amsterdam.
- Stability Pact (rigour and austerity of public budgets) adopted
 - Social Protocol adopted, the EU takes on its responsibilities in qualitative and quantitative employment policies and as regards gender equality. The social partners were permitted to be involved in European legislative procedures and to conclude cross-border contractual agreements.
- 1999:** Official launch of the euro (Eurozone – 12 countries)

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- 2000:** Treaty of Nice
- preparation for enlargement to the 10 new Member States (25)
 - modification of the EU procedures in a confused way
 - adoption of the European Charter of Fundamental Rights
- 2003:** Submission of the text of the Convention establishing a Draft Constitutional Treaty for Europe. Alongside clear progress (reference to international social and human rights instruments, inclusion of the European Charter of Fundamental Rights, better democratic procedures, potential for social policies with the involvement of economic and social actors), the draft Treaty reinforces the option of free trade, in line with neo-liberal thinking, and makes social matters contingent on the need for competition. The draft Treaty is being examined in the 25 Member States which will have to approve or reject the text.
- 2004:** Accession of 10 new countries (Central and Eastern Europe) to the EU (25 countries).

■ The reasons behind European integration: a different historic vision

At the end of the Second World War (1945), the big adventure that is European integration seized on the ideals of peace, the strengthening of democracy and Franco-German reconciliation with a view to bringing the people closer together. However, we must not forget that these 'great ideals' that were proclaimed were also used to conceal two other motives:

1. People wanted to show that the social market economy was able to do better than the Soviet communist system (social AND economic performance).

Since the fall of the Communism in the East in 1989, there has been no external pressure to guarantee good social and democratic quality in our countries and we have witnessed strong tendencies within our governments to reduce this quality.

2. The start of EEC construction (end of the 1950s, beginning of the 1960s) was also occurring at a time when the peoples of Africa, Asia and Latin America were proclaiming their desire for independence and self-determination. Our governments fell back on a common market within Europe because the former types of colonialism (colonial administration) had become unworkable.

However, Western countries have since set up new methods of domination (for example 'third world debt*').

So, it is clear that in almost 50 years of the common market, the increased contact and cultural exchange between peoples within the EEC has meant that nations in close proximity to one another tend to be viewed as "neighbours" and no longer as "foreigners that need to be feared".

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However, this argument of a Europe living in peace for 50 years does not give the full picture. It does not show that the stability of a small core of European countries has only been achieved because confrontation between East and West has been exported over several decades by wars in poor continents. It neglects to mention that the EEC's authority did not want to help settle civil wars which were taking place on its doorstep (Ireland, Spain and so on). It also omits to mention the fact that for years the common market has tolerated the close presence of dictatorships (those of Franco in Spain and Salazar in Portugal, amongst others); it skates over the very strict supervision, which has, for decades, been imposed on West Germany.

■ The EU political system: a democratic deficit?

A democratic country's political system should be based on criteria that are very different to those of the European Union. Three main founding principles for democracy must be used as our reference points:

1. The political legitimacy of public institutions and the sovereignty of a nation.
2. Democracy does not exist without the freedom of expression for collective disputes.
3. The independence and the division between the three constitutional powers: executive (government), legislative (parliament) and judicial (the courts). This independence is further strengthened by the recognition of counter-powers, first and foremost of these powers is the trade union movement.

In view of these three demands, we can see three fundamentally opposed orientations:

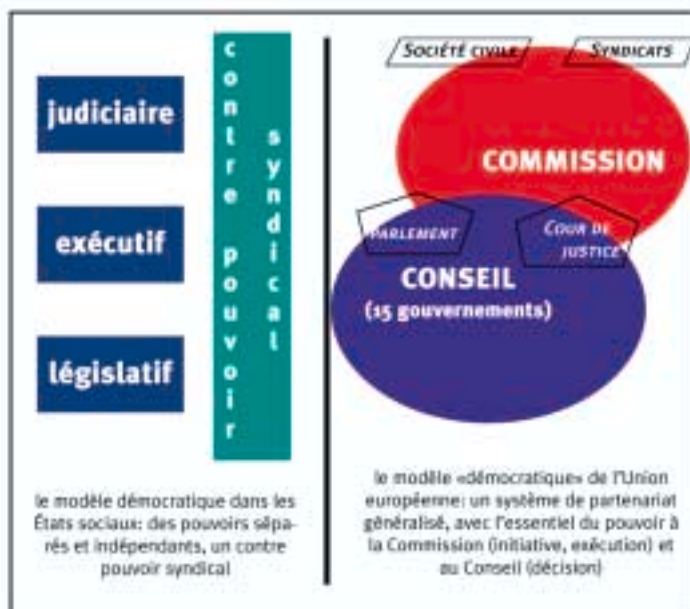
1. **Diplomatic** negotiations between states that established the EU political system. Diplomatic clout remains a determining factor, not only in each amendment to the basic treaty (the Treaty of Rome) but also in daily political procedures because COREPER (the Committee of Permanent Representatives from the different EU Member States) acts as a filter which prepares and organises decisions (behind closed doors) which will then be made by the Council of Ministers that generally only holds discussions on approximately 20% of the decisions that are to be made (the most "delicate"). The EU therefore does not aim to base its political system on citizens and their desires.

Our democratic demands	The reality of the EU system
Sovereignty of the people	Sovereignty of the states
Free expression of collective disputes	"single technocratic solution"
Division and independence of powers; acknowledgement of counter-powers	Inclusion of all "partners" in the executive-legislative

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2. It is a **technocratic** system (primarily influenced by experts and technicians and by business lobbies in particular). This means that the political choices and projects adopted by the EU tend to be presented as the only possible technical solution which, due to their very nature, cannot be debated (see the infamous technical standards for monetary and budgetary convergence adopted in Maastricht). This system is not based on democratic debates organised in advance, but rather one where experts guide the decisions taken. This explains why the European Parliament plays too marginal role in European decision-making.



3. **Worse still: the European political system does not respect the democratic principle which stipulates that the three main powers must remain separate and independent.** It is increasingly becoming a vast network made up of a multitude of associations and organisations which are almost like sorts of little satellites (the partners) of a power where executive and legislative powers are confused and judicial powers primarily guarantee the order of the whole system. A proportion of legislative powers would be directly transferred to the business sphere and to companies (co-regulation). We are led to believe that we need to be wary about political intervention - but not about the intervention of market forces: this is why the European Central Bank has been granted complete independence and cannot be sanctioned by any of the EU political bodies. The ECB, however, attempts to give the impression that it listens attentively to "market demands". Even the US Federal Reserve System does not have such absolute power.

■ The Europe we want

So, European integration is a fine idea - but one which has been reduced by the historical dynamic of capitalism and swamped by the business world. To ensure that the construction of an "ever-closer" Union is a success, a radically different approach must be taken:

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- Openness, which is based on solidarity, towards the rest of the world to organise forms of trade (free movement of people, knowledge, culture and technologies) with other regional groups based on the respect for the free choice of development policies defined by the people and not a neo-liberal fortress Europe which encourages, as a result of its restrictions on immigration, the development of undeclared work and which acts, alongside the United States, as one of the most active players in the imposition of neo-liberalism on the rest of the world.
- A Europe that continues to represent the model (to be exported) of extending democratic rights and well-being for all citizens living within its territory through the redistribution of wealth more fairly and not a power that continually strives to weaken, in the interests of the profit of a few, the progress made after 150 years of hard social struggle and efforts from the unions to bring about a society with wage solidarity. The need for the public to scrutinise and be actively involved democratically as regards the authorities means that a system cannot cover too many citizens - there must be discussion of the limits that must be set to ensure that a system is small enough to be scrutinised democratically by the public. We must work towards developing cooperation between several groups of countries on a regional basis and not simply seeking to create enormous groupings that cannot be controlled.
- A Europe that seeks to respect important ecological balances and one that endeavours to reduce numerous sources of pollution, to guarantee basic natural resources for all and to promote techniques that produce little or no pollution as opposed to a Europe that has dictated a dogma of free trade resulting in increases in insane forms of trade that are extremely costly in terms of wasted resources and pollution and has moved towards turning basic natural resources into simple goods that can be privatised. Social and ecological democracy will be developed in Europe by renewing public services and sectors rather than destroying them.