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# The Europeanisation of the Trade Unions

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Trade union policy challenges and practical options at the European level

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- Given the predominantly conservative-liberal balance of power in the EU and the continuation of the status quo ante in respect of key institutional issues due to the Lisbon Treaty, only limited regulatory action is to be expected in labour and social policy.
- Proactive strategies for dealing with this situation call for the expansion of transnational trade union cooperation. This applies to the organisational structure of European branch trade unions and union federations, as well as the transnational policy on agreements pursued in the social dialogue and the coordination of collective bargaining.
- In particular, the use of European works councils, which so far have been significantly underused as an instrument of participation in corporate decision-making, can contribute to a »Europeanisation from below«.
- Exploring selected Treaty amendments or exercising the option of differentiated integration to deepen social policy coordination and regulation in the EU can be realised only through close agreement between Social Democrats and trade unions.



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#### Introduction

This discussion paper – which sets out from the current state of the Europeanisation and transnationalisation of trade union policy – outlines key policy challenges and options related to trade union interest representation in the multi-level system of the EU. Prospective strategic considerations largely concentrate on the European level (the European arenas of interest representation) and on the legislative period of the newly elected European Parliament and the newly appointed European Commission. With regard to the issue of political alliances, cooperation with European social democracy is a particular focus.

A realistic evaluation of future – potential or essential – areas of emphasis and component ratios in the choice of practical forms and instruments by trade unions at the European level presupposes, on the one hand, a detailed stock-taking with regard to the trade unions' previous successes as regards Europeanisation and their shortcomings with regard to transnationalisation and, on the other hand, systematic reflection on the prevailing circumstances, comprising the institutional characteristics of the EU system and the asymmetric relationship between market integration and political (and social policy) integration. For reasons of space, these matters shall be addressed only briefly.

The following considerations are based on the premise that, within the framework of EU decision-making structures and Community policy processes (considered in terms of influence and governance), basically three policy options are available: (1) governance by government; (2) governance with government; and (3) governance without government.

For the purposes of a trade union strategy debate – against the background of previous experience and the prevailing political conditions in light of the Treaty – the following questions present themselves:

1. Looking at the first option, governance by government, the question arises of what problem areas and trade union spheres of interest urgently require »(supra-)state« regulation – in other words, a political substitute in the form of EU law and, consequently, lie beyond the possibilities of transnational »trade union self-help« or solutions at the national level. Related questions include effective transnationally-coordinated and supranational trade union

lobbying within the framework of the multi-level EU system and adequate labour diplomacy in relation to EU bodies (which includes not least the issue of some sort of transnational secretariat). This dimension of »supra-state level« politics and the development and exploitation of EU primary and secondary law also encompasses such key issues as political alliances and the prospects of cooperation with Social Democrats.

- 2. The second option of governance with government takes in the guestion of the political-strategic value (hitherto) and possible future potential of the established EU structures and procedures which make possible specific, to some extent also institutionalised trade union participation (Macroeconomic Dialogue, Open Method of Coordination [OMC], continuation of the Lisbon Strategy), as well as the strategic assessment of the (tripartite) bodies which provide for formal trade union involvement (the tripartite social dialogue established by the Lisbon Treaty, the European Commission's sectoral industrial-policy consultation forums and so on). In this dimension, alliance policy – that is, reaching agreement on joint platforms and laying down common aims and plans for political action - also plays a role: for example, with regard to the thematic orientation of the OMC and the continuation of the future Lisbon Strategy. However, the main challenges here must be met by means of intensified intra-trade union coordination processes on a transnational-unilateral basis.
- 3. The third option, governance without government, encompasses, in the first instance, issues and assessments related to the value and potential of an »autonomous« dialogue and coordination policy with the employers' side (multi-sectoral social dialogue and sectoral social dialogue), as well as the trade union role in relation to the »resource« constituted by European works councils, in particular with regard to the possibilities of transnational group agreements with management. Finally, this dimension includes the field of trade union »transnational self-help« and coordination which are neither institutionally nor legally (as in the case of the social dialogue or European works councils) pre-structured, including, in particular, transnational coordination of collective bargaining and the question of the value of transnational action related to solidarity, mobilisation and support. In this dimension, which – as will be shown below - has high priority in terms of the



further Europeanisation of trade unions, the unions will have to rely on their own resources.

# Political and Economic Framework in Light of the Treaty

The coming years will be characterised by dramatic monetary and fiscal policy tensions and upheavals, not to mention growing labour and social policy problems in the European Union. Whether governments' Community-oriented crisis management (beyond what has been laid down in the Treaty hitherto) gives rise to forms of macroeconomic and political governance which lead to a sustainable, reinforced »European economic government« (thereby falling in line with trade union and social democratic ideas) remains to be seen. The EU Reform Treaty which has come into force does not furnish, in this connection, an optimal constitutional framework (assignment of new competences and majority decision-making) in the key areas of economic and tax policy, capable of facilitating or promoting a demand- and employment-oriented macroeconomic economic policy or substantive regulation (for example, with regard to corporate taxation). In the area of financial market regulation, individual European solutions stand out - for example, with regard to financial supervision – although they fall far short of trade union demands (for example, the ETUC, October 2009).

In the area of labour and social policy, the following framework has been established.

On the one hand, the Treaty represents progress in the normative realm: this includes, in particular, the EU's social policy targets, the binding legal force of the Charter of Fundamental Rights (even though it now appears only in the attached protocol and Poland and the UK are exempt) and the introduction of a »horizontal social clause« by means of which the EU commits itself to take account of the promotion of employment, the safeguarding of adequate social protection and combating social exclusion, as well as a high level of education and health protection in determining what measures it will take and their implementation. On the other hand, the Reform Treaty largely maintains the status quo ante as regards competences and procedures - in other words, in respect of the key institutional issues. Although the matter of establishing a basis on which actions can be authorised via the Treaty and the question of unanimity or majority decisionmaking are crucial, as far as the further development of

substantive secondary law and the regulatory quality of EU policy is concerned, no primary law conditions are established which might lead one to expect substantial legislation in the near future according to the Community method, with directives and regulations. Whether the reinforced set of social norms will influence the practice of case law – which will continue to be important with regard to social policy – in favour of workers' and trade union rights is questionable, in light of recent ECJ rulings.

Besides the constitutional framework, above all the current political balance of power makes further and sustainable development of the social dimension unlikely: the Council of the EU-27 is dominated by a significant majority of conservative-liberal governments. In the wake of the British general election we now have to count on a Conservative dominated government there, which is decidedly Euro-sceptic, which means that the four largest EU countries are liberalconservative. The programme of the conservative-liberal German government does not contain any planned legislation on EU social policy. On top of this, the Social Democratic presence in the European Parliament is somewhat diminished and the composition of the new European Commission reflects the (party) political balance of power (if in an attenuated form). Finally, given the current distribution of power in national parliaments the new »subsidiarity early warning system« could be used to block progressive EU labour and social legislation.

Although in future it will become increasingly difficult to form a majority in the European Parliament for progressive social policies, the Parliament remains the most strategically important sounding board for trade union concerns at the European level and a priority social policy partner and »ally« of the trade unions, because also in the future it will be able to act at least to some extent untrammelled by the political »majority culture« of the Council and the Commission.

Tangible building blocks for future joint efforts by the trade unions and the Social Democratic group in the new legislative period are offered by the European Parliament's Resolution of 6 May 2009 on a renewed social agenda, in which the Parliament calls for »an ambitious social agenda for the period 2010 to 2015 « and proposes, among other things, legislative initiatives in the area of basic labour rights and a directive on



cross-border collective agreements in accordance with the realities of cross-border business.

A first conclusion, which is also linked to the question of priority trade union action and strategic options, must be understood against this background: in the area of social and labour policy – for political reasons and as a consequence of the Treaty - only very limited substantive regulatory activity can be expected, at best, which could also promote – as it were, in the shadow of the law - a policy of reaching agreements with employers, based on negotiations, within the framework of (multi-)sectoral social dialogue. By contrast, the consequences of the financial and economic crisis, which are continuing to emerge - as a result of growing unemployment, enterprise restructuring, budget crises and wage pressures - in transnational corporate policy (in the form of accelerated restructuring and job shedding) and the coordination of collective bargaining are leading to enormous problems and challenges. In order to cope with them, the option of governance without government – that is, transnational self-coordination of the trade unions which must be developed further will be demanded

For the sake of pursuing a gradual and pragmatic policy, finally, the options provided for proactive strategies by the new Treaty framework must be fully explored.

Apart from that, the financial market and economic crisis, the neoliberal orientation of the integration process and the conservative-liberal dominance in the EU constitute grounds for considering a fundamental (re)politicisation of trade union policy on Europe and the revival of related forms of action (strikes, mass protests, transnational campaigns and shows of solidarity).

#### Organisational Policy Challenges of Transnational Trade Union Policy

The following remarks on the state of organisational policy and the prospects facing transnational trade unions concentrate on European branch trade unions, since the political economy of EU integration (monetary union, branch liberalisation and industrial policy), as well as important EU labour policy regulations (directive on the introduction of European works councils, participation in SEs) and the EU's political-institutional frameworks (sectoral social dialogue) affect its spheres

of interest and domains of representation, directly and to a considerable extent.

In contrast, the areas of representation of the trade union confederations and the ETUC will continue to be required where what is at issue are issues of the constitutional development of the EU, cross-branch EU legislation and the various »soft« forms of EU governance (OMC, the Lisbon Strategy, tripartite social dialogue and so on).

The – as a result of deeper EU market integration – more complex and ambitious »management of interdependence« of trade union interests and the demands of a »management of diversity«, which have grown and become more difficult as a consequence of eastern enlargement, have not led any European trade union confederation to centralise decision-making processes at supranational level and to build up permanent transnational secretariat capacities. No European trade union confederation is oriented, therefore, towards a »hierarchical model«. Rather European trade union confederations are dominated by a policy approach which can be described – with some exaggeration – as a »working groups model«. Accordingly, the committees or task forces, supported by national trade union experts, which are dedicated to (sub)sectoral issues or crosssectional tasks, are the central organisations and working groups of transnational confederations. The differentiation of these internal position-forming structures, the intensification of ongoing communication and coordination processes in these committees and a tendency towards a higher degree of bindingness and obligation with regard to decisions taken characterise the development of transnational confederations over the past decade.

In no way – looking at EU history overall and trade union cooperation in Europe – are these Europeanisation successes to be underestimated. Furthermore, they must be contrasted with a number of deficiencies with regard to the transnationalisation of organisational policy:

1. In comparison to company representation structures at the European level, there have always been serious asymmetries; these imbalances between the representation of business interests (merely consider the growth in the number of corporate representative offices in Brussels) and that of workers' interests have grown in the past decade.



- 2. Although the 12 current European trade union federations have modestly expanded the personnel of their secretariats over the past decade, only half of them have more than ten staff (the European Metalworkers' Federation leading the way with 20 secretariat staff at present).
- 3. Despite a similarly moderate increase in membership dues paid to transnational federations caused by the enormous increase in (financially weak) member federations in the wake of the EU's eastern enlargement structural under-funding has increased in tandem with the dependence on »external« funds (primarily from the European Commission), which now amounts to between 20 and 60 per cent of the total budgets of individual federations.

The resource problems and challenges of providing adequate transnational interest representation require new approaches and priorities on the part of national trade unions with regard to their organisation at European level:

- The dependence on Commission funds for dealing with structural tasks and for covering staff costs, at least in part, is considerable (even excessive). Even though this does not entail political dependence, raising the project funds for such purposes tends to tie up a considerable number of the staff needed for direct European-level interest representation and lobbying. Strategic decisions must be taken for a significant increase in material and staff expenditure for interest representation at the European level.
- The first steps towards the formation of Europe-wide electronic networks have potential but remain insufficient. The temporary establishment of ad hoc campaign groups in Brussels made up of the seconded full-time officials of member federations, while innovative and promising, ultimately falls short.
- What appears to be necessary is the systematic development and consolidation of a transnational pool of officials capable of representing trade union interests professionally in the multilingual and multinational decision-making milieus of the EU, across the full range of economic, social and labour policy. If this is not possible due to obvious financial difficulties via increases in the regular staff of transnational secretariats, rotation models (with which there has already been a number of rudimentary experiments) should be extended further. The delegation

for a period of years of national trade union experts would promote not only transnational socialisation processes within a trade union functional elite at EU level, but also lobbying capacities with regard to EU bodies and within the framework of the numerous EU advisory committees.

Further mergers currently in the offing at the transnational federation level may, as in the case of the European Trade Union Federation of Textiles, Clothing and Leather (ETUF:TCL) – also against the background of national trade union structures – be useful, but, as purely defensive measures due to the shortage of resources, overall they represent no solution to the challenges already mentioned.

# Transnational Fields of Activity and Practical European Options

A brief look at the state of trade union Europeanisation and the role of the European trade union federations in key areas of activity gives grounds for further strategic reflection: considered within the historical framework of the whole development of the EU and of European trade union cooperation since the 1950s, the development of approaches to a bilateral transnational negotiation- and agreement-oriented policy with the employers' side represents something of a novelty. In other words, »negotiating and reaching agreement«, historically a basic trade union function and hitherto a purely national domain has gradually acquired a transnational dimension.

Another new and strategically central field of activity is collective bargaining policy, since the trade unions, in the area of wage and collective bargaining policy within the framework of monetary union – also in the longer term – will be forced into unilateral transnational control and self-regulation if they wish to limit or prevent troublesome wage policy upheavals and thus location conflicts.

Finally, the European trade union federations have accrued new tasks in the area of corporate policy, which are closely linked to the support and accompaniment of European works councils (EWCs).

# Social Dialogue and Transnational Agreement Policy

The sectoral social dialogue committees, which currently number 39, constitute the institutional frame-



work for the co- or self-regulation of sectoral social partner federations. The comparative analysis of policy outcomes so far shows that the sectoral social dialogue committees at best provide necessary, but not sufficient conditions for a substantive transnational agreement policy. Given the basically voluntary character of sectoral social dialogue and the trade unions' lack of leverage, the rather less ambitious aims of the employers' side tend to determine the pace of development and the results. Even the European Commission, as »process manager«, can provide incentives merely by establishing a conducive structural, political and material framework. Under these circumstances, the European trade union federations have not yet grown into the role of a »transnational party« to collective agreements, systematically supplementing or even replacing the national level. Development along these lines is not likely in the foreseeable future.

However, the significance of the European federation level as the locus of intensified inter-trade union communication and practical coordination and that of secretariats or general secretaries as »representatives« in sectoral social dialogue committee processes has been increasing, since even »soft« negotiation issues require an inter-federational clarification of interests at the European level and transnational federations (on a caseby-case basis) must be mandated. The European trade union federations attach strategic importance to the Sectoral Dialogue, depending on conditions in a particular branch. However, the sectoral social dialogue committees play a considerable role with regard to all federations in logistical, conceptual and financial terms. This is because the incentives which the European Commission has at its disposal – premises, translation services, travel costs, money for sectoral studies and so on – are used systematically by the European trade union federations as resources for their member-related activities.

It is only under these conditions that the arena of the sectoral social dialogue committees remains indispensible for the trade unions. Although the number of joint positions or basic agreements has grown enormously, they lack substance. However, such soft regulation can provide an important impetus which is significant in particular for countries where standards are low, namely when implementation can be ensured and the linkage between the European and the national-decentralised trade union levels can be improved.

In the near future, given the general political situation – including how things stand with the European Treaty – described above, no significant degree of legislative activity is to be expected with regard to labour and social policy, the effect of which would be to »force« the employers' side into a »more binding« agreement policy in »the shadow of the law«.

On the other hand, it is conceivable that the growing need, under the aegis of the financial and economic crisis, for sectoral industrial-policy crisis management will have a certain catalytic effect to the extent that the employers' federations may be willing to make labour and employment policy issues, besides those of economic policy, the object of concertation and even agreements. Depending on sectoral conditions the trade unions should at least try to actively explore and press this option.

### Transnational Collective Bargaining Policy Coordination

In the area of transnational collective bargaining coordination, similarly, an overall increase is discernible in the willingness of national member federations to become more strongly integrated in coordination processes under the umbrella of the European trade union federations. This approach has also led, in the case of most federations, to an extension and further separation of advisory and consensus-building structures at the European federation level. The European trade union federations act as coordinating agency (process management, communication/information services and, to some extent, conflict mediation) via arrangements reached at federation level on wage formulas, negotiation guidelines and negotiation issues. These functions are particularly pronounced or developed to differing degrees at individual federations. To sum up, a development pattern has emerged characterised by »imitation of best practice«: in other words, the internal federation consensus-building structures and procedural rules first developed in the European branch federations of the European Metalworkers' Federation for transnational collective bargaining coordination were gradually – at least in outline – adopted by other federations. The European Federation of Building and Woodworkers has gone further, trying out new approaches to a »direct« transnational wage policy with regard to transnational building projects.



What strategic perspectives can be derived from the current state of the Europeanisation of collective bargaining?

- First, developments which are already discernible at individual federations, including the EMF, should be continued and taken further. Their aim is to increase the »moral commitment« and level of obligation of collective bargaining coordination through the pressure of mutual legitimation. Useful for this purpose are, first, the ongoing recording and making available, as well as the regular assessment of collective bargaining outcomes within the framework of different networks and transnational spaces of communication (collective bargaining committees, regional collective bargaining partnerships, collective bargaining conferences, training seminars and so on).
- Furthermore, trade unions in countries with comparable wage and productivity levels could form joint collective bargaining committees in the relevant branches which negotiate transnationally in accordance with coordination rules and notwithstanding any problems with regard to temporal and substantive synchronisation press ahead with the development of transnational coordination of collective bargaining, which may well turn out to be indispensible (even if this means that a »multi-tier« coordination of collective bargaining is accepted as unavoidable in the EU-27).

This unilateral coordination approach should be complemented and interfaced with European campaigns and targeted lobby strategies for a minimum wage policy (also regulated and harmonised at EU level). This must be based on a wage adaptation rule, harmonised at European level, for minimum wages which takes its bearings from European inflation rates and advances in national productivity, and also lays down wage floors. (This legislative requirement at EU level refers not only to countries without a mandatory minimum wage, such as Germany and Italy, but also the CEE countries in which low minimum wages have also come to serve as reference wages for collective bargaining.) Besides the current consensus with regard to a European minimum wage regulation between the trade unions and the social democratic parties, there is a good chance of bringing in other allies in the European Parliament who would be able to form a legislative majority. Realistically, however, in the near future a corresponding Council majority is unlikely, not least because of the attitude of the German government.

#### Transnational Corporate Policy

In the area of corporate policy almost all European trade union federations have accrued new tasks. Although the pace of development and the degree of intensity vary, they perform specific functions with regard to negotiations, support and practical development in respect of European works councils. In this connection, the EWC process has led to a transformation and expansion of the spectrum of tasks for which secretariats are responsible, accompanied by the establishment, at a number of federations, of internal crossborder structures in the form of corporate policy committees, working groups or networks.

The development of the corporate policy domain since the end of the 1990s is characterised by the ascription of a range of trade union competences, varying by federation, between the national and European levels. The European trade union federations predominantly fulfil orientational functions and support tasks with regard to the establishment and care of European works councils, by means of company databases, the documentation of instances of good EWC practice and the development of work tools for EWCs. In addition, individual European trade union federations serve as the venue for the direction of decentralised negotiation and support activities, determined at executive level, in the form of substantive and procedural guidelines. Having said that, the European trade union federations have no implementation and sanction mechanisms in the event of the non-compliance of individual member trade unions.

The burgeoning activities of an increasing number of European works councils – now numbering around 930 - which go beyond information and consultation and can result in transnational company agreements, as well as increasing conflict in the wake of the restructuring of European companies, has led, in the case of individual European trade union federations - including the »vanguard« European Metalworkers' Federation (EMF) – to far-reaching action. This is aimed, on the one hand, at even closer European coordination of the corporate policy of national trade unions and, on the other hand, at the development and implementation of a transnational negotiation procedure, designed to bind negotiating national trade unions and European works councils to the European federation level. Whether this approach, which makes the European federation the central level of control and so far has been tried in only



a few cases, will catch on and, in the medium term, be imitated by the other European trade union federations cannot be determined conclusively at present. Nevertheless, it is an indispensible element of a proactive transnational corporate policy on the part of the trade unions (discussed in more detail below).

Among the policy options sketched at the beginning of this article with regard to transnational trade union coordination in the short and medium term – besides collective bargaining coordination – the greatest challenges arise in the realm of corporate policy. However, they also represent opportunities for further Europeanisation.

Regarding corporate policy, European works councils constitute an as yet distinctly underused resource for transnational trade union policy. Of the companies covered by the EWC directive, European works councils have been established in only around a third. Of the 930 or so EWCs that have been established, some still have the status of "symbolic or passive" EWCs. At the other end of the development spectrum, the activities of a growing number of European works councils extend beyond the legal framework of information and consultation and they are developing a transnational agreement policy which, in the initial cases, goes beyond "soft" issues and touches on questions relevant to collective bargaining (and thereby the domain of the trade unions).

A highly complex, threefold task faces the trade unions, whose solution could contribute to their sustainable transnationalisation, however, and to a »Europeanisation from below« with regard to labour and codetermination policy (the recast EWC directive can bolster or alleviate this process on the legal side only to a limited extent). First, the »coverage gap« has to be reduced by means of a targeted offensive to establish new EWCs. Second, passive EWCs must be activated through the mediation of best practice. Third, and above all, active, participation- and negotiation-oriented EWCs must be supported politically, as well as brought into contact and integrated with the trade unions, and transnational operational resources must be utilised strategically in further areas of trade union activity, in particular with regard to coordination of collective bargaining and sectoral social dialogue, as well as industrial-policy concertation at the European level. A proactive negotiation-oriented EWC development policy of this kind requires clarification on the part of the trade unions

concerning what »EWCs are supposed to be able to do«. Only on the basis of a coherent trade union conception with regard to EWCs might there also be opportunities to work towards a – stymied at present by political obstacles – EU regulation (optional legal framework for transnational negotiations).

### General Prospects for Political Action and Alliance Policies

A realistic assessment of trade union options and practical alternatives in the EU must take account not only of the economic framework and the restrictions resulting from the EU's institutional design and current (party-)political power structures, but also of internal trade union divergence of interests with regard to their platforms and political strategies.

The difficulties involved in reaching common trade union positions on EU integration policy - for example, between the more »integrationist« continental European trade unions and the more »sovereignistic« Scandinavian and British and Irish trade unions – were (also) discernible in the recent Treaty negotiations, from Nice to Lisbon. This applies in particular to fundamental integration policy issues concerning the further development of the EU in the direction of a supranational federal Union with substantially expanded economic, labour and social policy competences. Although the Lisbon Treaty contains no more – although no less – in terms of social policy substance than the draft Convention and the Treaty Establishing a Constitution for Europe, the recent anti-labour rulings by the European Court of Justice (including Laval, Viking and Rüffert) led to a repoliticisation of cross-border trade union Treaty debates which, based on intensified and pointed criticism of the social policy gaps and weakpoints of Treaty development, resulted in the position of the European Trade Union Confederation (ETUC) of spring 2008, which called for the addition of a »social progress clause« to the Lisbon Treaty. Even if this initiative came at a time when there was little chance of influencing the government negotiations as they then stood, this detailed »Protocol on the relationship between economic freedoms and fundamental social rights in the light of social progress« – in the form of a Protocol to the EU treaties - represents, in many respects, a significant programmatic and strategic development with regard to the common position of the European trade unions, not least because this Protocol is operationalised in detail in terms of the Treaty and refers both to



the corresponding article of the Treaty on the European Union (EU Treaty) and the Treaty on the Functioning of the European Union in the Consolidated Version of the Lisbon Treaty.

On this basis, further political moves are both possible and imperative:

- A first important step has been taken at the German level with the joint position paper and initiative of the DGB and the SPD (May 2009), calling for the »improvement« of primary law by means of a corresponding declaration by the European Council and inter-institutional agreements by EU bodies.
- Since this political initiative was deemed to be an »unenforceable Treaty amendment« (even) under the Swedish Council presidency and not taken up (Social Affairs Council, September 2009), further synchronised efforts are needed across Europe on the part of national trade unions to win over allies in their respective countries and their amalgamation at the level of political groups in the European Parliament that are willing to lend support.
- Beneath this necessary »declaratory improvement« with regard to the Treaty via EU bodies' commitment to the protocol annex, the EU Reform Treaty offers the possibility, in individual legislative processes, of proactively bringing to bear the (new) social clause in accordance with Art. 9 Treaty on the Functioning of the European Union (also in connection with the European Commission's regulatory impact assessment). This opens up significant prospects of continuous and close accord between social democratic parties and trade unions at national and European level
- Apart from that, taking an ambitious, medium-term perspective, the ways in which the possibilities provided by the Lisbon Treaty for selective Treaty amendments (switch to qualified majority voting) without broad renegotiations can be exploited in the areas of economic, social and labour policy should be explored. In this instance, too, communication processes and joint initiatives are both possible and desirable.
- With regard to the strategic issues which need to be clarified within the European trade unions and social democracy in Europe, as well as between the two partners, far from the least important question is whether the option of »differentiated integration« – made easier by the Reform Treaty – provided by the »flexibility clause« (Treaty on the European Union,

- Title IV), should be pursued proactively. This option in accordance with which a group of states which are similar in terms of social structure and face similar problems requiring transnational solutions would come together to deepen their relations with regard to social policy regulation and closer economic governance is deeply ambivalent with regard to the policy of integration and, with the current balance of power, in any case scarcely realisable. Given the increasing trend towards growing socio-economic heterogeneity in the EU-27 and an increase in the number of »social policy veto-players« among member state governments this option is worthier of consideration than ever.
- Beyond these constitutional and legislative areas, finally, the EU's »soft« forms of governance in particular, the redefinition of the Lisbon Strategy constitute a field in which the trade unions and social democratic parties may formulate detailed aims with regard to where their interests already overlap, as well as their basic regulatory and integration policy directions, thereby enabling them to influence the process proactively and concertedly in other words, on the one hand, transnationally and, on the other, in close interaction between national and European actors.



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