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European Union

Social and democratic rights radically challenged!

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If the governments, the ECB and the European Commission truly intended what they claimedâ€"that is, to reduce unemployment, boost economic activity, clean up the banking sector, increase and stimulate lending to small businesses and consumers, increase investment, reduce debt, and so onâ€", then their policies have clearly failed. But were these ever their true intentions?

The mainstream media often mention the dangers of the Eurozone falling apart, the failure of austerity policies to fan the embers of the economy, tensions between Berlin and Paris or Rome, or even London and the Eurozone, disagreements between ECB directors, the enormous difficulty in agreeing on the EU budget or the winces of certain European governments concerning IMF remarks about austerity levels. These problems are real but they should not overshadow the essential issues.

The leaders of the strongest European countries and of big business alike are delighted to have created a common economic, commercial, and political zone in which European transnational corporations and the major Eurozone economies benefit from the collapse of the Eurozone's Southern economies. The stronger economies gain a competitive advantage over their North American and Chinese competitors. Their objective at this point is not to revive growth to reduce differences between the stronger and weaker economies of the EU.

Furthermore the European elites see the economic collapse in the South as an opportunity to privatise public companies on a large scale and acquire common goods at give-away prices, helped by the Troika (ECB IMF and European Commission) with the active complicity of the peripheral governments. Big Capital in the Southern European countries is in favour of this prospect, hoping to get a piece of the cake it has been ogling for a long time. The grabbing of public sector companies in Greece and Portugal foreshadows what will happen in Spain and Italy, where public companies are relatively much bigger in respect to the size of their economies. The leaders of the strongest European economies are hoping to pass another wave of important privatisations in their own countries.

The collusion between governments and big business has gone public. At the head of several governments, in important ministerial posts and at the presidency of the ECB, we find men and women who are part and parcel of the world of high finance, [1] in particular former directors of Goldman Sachs. [2] Certain high-profile politicians are rewarded with jobs in big banks once they have fulfilled their loyal service to Big Capital. [3] This revolving-door complicity is not new; it is just more obvious and systematic than at any time over the last fifty years.

To imagine that the policies imposed by the European elite have failed because economic growth has not returned would be to totally miss the point. The goal of the board of the ECB, the European Commission, the governments of the strongest EU economies, the boardrooms of the banks and other big companies is neither a quick return to growth nor the reduction of inequalities in the Eurozone and the EU that would favour a more coherent system and the return of prosperity.

One fundamental issue is paramount, and that is the capacity of the elites, who have meekly put themselves at the service of the multinationals, to manage crises, even chaotic situations, in the interests of these big companies. The scale of the crisis is presented as the motive justifying a shock therapy against the economic and social rights of the European peoples.

The very principles of our cultural, social and economic rights are being challengederoded down to their bases, as are the civil and political rights to elect political representatives. Indeed, the European Parliament does not genuinely exercise any legislative power, the Troika dictates the legal acts to the national parliaments of the countries that it has subjected. Other parliaments have their sovereignty and power severely limited by various European treaties, such as the TSCG, which set unacceptable fiscal constraints, adopted without democratic consultation. Other such rights are also being violated: the effective exercise of universal suffrage, the right to reject treaties, the right to amend the Constitution through a democratic constituent process, the right to organise protests and see them through to success. The EU and its member countries resort to authoritarian methods, with representatives of the economic oligarchy again directly exercising power.

To push the greatest offensive, on a European scale, since WWII against the human rights of the populations, the governments and employers have a full panoply of arms available: rampant unemployment, repayment of public debt, later retirements, end of unemployment benefits, labour precariousness, reducing wages and benefits, job cuts in the private and the public sectors, the constraint of a balanced budget that is a pretext for severe cuts in social and public spending and the pursuit of ever greater competitiveness between EU Member States and in the face of worldwide competition.

Capital's objective is to further threaten stable employment, radically reduce the capacity of workers to organise, and substantially push down direct and indirect wages while at the same time maintaining enormous disparities within the EU so as to sharpen the blade of labour competition. First, there are the inequalities between women and men, between workers with permanent or temporary jobs, between full-time and part-time workers, between generations having gained pension rights based on systems that are universal and obligatory and younger generations faced with ever more individualised and uncertain systems; not to mention over-exploited clandestine workers who have no benefits or labour-related social rights.

The inequality gap has widened over the last twenty years, pushed by employers' initiatives and helped along by successive governments (including left-wing governments). There are also the different inequalities between workers in the different EU countries.

Then there are inequalities between workers in the different EU countries. The differences between workers in the principal and secondary economies within the EU complement those found within national boundaries. Workers' wages in the stronger countries (Austria, Denmark, Finland, France, Germany, the Netherlands and Sweden,) are two or three times higher than the wages of Greek, Portuguese, or Slovenian workers. The minimum wage in Bulgaria (156 Euros a month in 2013) is1/8th to 1/9th that of countries such as France Belgium or the Netherlands. [4]

In South America, although there are great disparities between the stronger economies (Argentina, Brazil, and Venezuela) and the weaker ones (Bolivia, Ecuador, and Paraguay), there is no more than a fourfold difference in the legal minimum wage thereâ€"which is much less significant than in the EU. This difference clearly shows how strong the competition among European workers is today.

The European authorities also strengthen the "Fortress Europe" policies by blotting out the rights of non European nationals to enter the European territories. As they "refine" their criminal methods they cause thousands of deaths among applicants fleeing to the European shores. The right to asylum itself is trampled upon.

It is clear, that behind the smoke screen of official announcements, a terribly unjust and deadly logic is at work. It is high time it be exposed, in order to better resist it and defeat it.

Translated by CADTM

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[1] A recent example is Emmanuel Macron, French Minister of Economy, Industrial Renewal and Information Technology since August 2014 who was previously at, the, Rothschild bank. See: http://en.wikipedia.org/wiki/Emmanuel_Macron

[2] Eric Toussaint, "Bankocracy: from the Venetian Republic to Mario Draghi and Goldman Sachs", published 13 November 2013, http://cadtm.org/Bankocracy-from-the-Venetian

[3] See Eric Toussaint, "DSK, Blair, Geithner, Rubin: from politics to finance", published 23 December 2014, http://cadtm.org/DSK-Blair-Geithner-Rubin-from

[4] Eurostat, â€˜Minimum Wage Statistics', http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Minimum_wage_statistics (2013 data). See also Observatoire des inégalités, *â€˜Le salaire minimum en Europe'* (â€˜The minimum wage in Europe'), http://www.inegalites.fr/spip.php?article702 (in French; unfortunately, data is only up to 2011).