

Report on “Is Southern Europe the Weak Link of European Integration? Tracing Possible Areas of Cooperation Between Movements and Parties of the Left”

Introductory note by Haris Golemis

Haris Golemis, scientific and strategic advisor of *transform! europe*, started his introductory remarks by addressing the title of the conference: “*Is Southern Europe the Weak Link of European Integration?*”. By elaborating on the way the European Integration process has been conducted, since its inception and throughout its development, and by observing the current geopolitical landscape in Europe, where anti-European right wing and/or far right prevail, Golemis concluded that it is not the South of Europe that constitutes a weak link that can lead to European Union dissolution. Also, he shared with the audience the view that the European south remains a region where radical transformation of societies could be feasible and the several reasons for the necessity of a southern European strategy for European integration. Finally, Haris Golemis framed the organization of the conference: bring together progressive political and social actors and examine how cooperation can be established between radical left-wing forces in the South of Europe.

Effects of the European Integration: what is to be done?

This opening lecture started with a presentation by **Annamaria Simonazzi** (Italy), from the Department of Economics and Law at Sapienza University of Rome and Director of the Scientific Committee of the Giacomo Brodolini Foundation, focused on the economy and industry of the core-periphery European divide. Simonazzi highlighted the necessity of rethinking industrial policies at the European level and addressing the fragilities of the periphery industrial basis as a means to attain true convergence in the European Union and a sustainable European project.

Costis Hadjimichalis, Professor Emeritus at the Department of Geography in the Harokopio University (Greece), addressed the geographical and spatial components of European integration, and focused on why Southern Europe countries were condemned to fail the integration process of an ordoliberal Europe. Hadjimichalis proposed four aspects on which the European left forces should reflect with the help of radical geography: 1) recognition of an uneven geographical development as a central theme; 2) recognition of the spaces of social reproduction as arenas for struggle and creation of new radical political subjects; 3) the urgent need to rethink sovereignty in an undemocratic neoliberal European Union; 4) the importance of identity politics.

The South Under Austerity Programmes: Effects on Economies and Societies. The role of the Left

Eduardo Garzon, economist, professor in the Department of Public finance at the Universidad Autonoma de Madrid and member of the Scientific committee of ATTAC (Spain), presented the European Union project as the summary of the four spearheads of neoliberalism: wage restraints, the weakening of the public sector, free trade agreements and financial

liberalization. Garzon elaborated on how the austerity rules are indeed “ideologies disguised as science” and that it is the role of the Left to reject this assumption and, on the contrary, assume public deficit and debt as important economic policy tools to be put at the service of the social majority.

Yiannos Katsourides, director of Research Institute and adjunct lecturer at the University of Cyprus delivered a speech on the economic, social and political situation in Cyprus from the beginning of the crisis until today (in the Cypriot case is a banking crisis). According to Katsourides, the governmental experience of the left in Cyprus was a negative one. Finally, he presented the challenges for the Left that has been in or close to power in the south of Europe: an alternative economic plan, the necessity to go beyond the social democratic paradigm of “light austerity” and re-centre left struggles from identity politics back to class struggle.

From Italy, **Andrea del Monaco**, an expert of European structural funds, talked about austerity, which is key to the current EU economic model, as instrument of North economic domination, presenting several thorough examples. In his opinion, the austeritarian model shall be challenged through a Keynesian economic structure, which would allow for economic intervention of the states, more public investment and effective protection of the labour force.

The Greek case of Syriza’s government as an extreme example facing common challenges for the Left in Southern countries was presented by **Petros Linardos-Rulmond**, economist and vice-president of the National Institute of Labour and Human Resources (Greece). During the Troika years, Syriza could implement different policies of taxation and investment in public resources, although it failed to end the clientelist Greek system (being this system defined as not merely a corrupt system, but also a system of implementing non planned economic and social policies). According to Linardos-Rulmond, one of the current political challenges for southern Europe is the re-orientation towards alliances with the central left, which is problematic for the radical Left.

José Soeiro, sociologist and MP of Bloco de Esquerda (Portugal), presented an overview on the consequences of the austerity years in Portugal: in internal devaluation, radical changes in labour laws and reconfiguration of the social contract. During this period, a strong cycle of collective actions emerged but failed to overthrow the neoliberal government in power, which was the most voted political force in the elections of 2015. Yet, and as result of the demands for an alternative to austerity, an agreement between the Socialist party, Bloco de Esquerda and the Communist party established a parliamentary majority allowing for a socialist government to rule. This agreement has been reverting many measures implemented by the Troika, with concomitant economic growth and social policies development. Yet, this political situation also presents contradictions, highlighting the impossibility of true progressive policies in a government ruled by social democrats willing to comply with the EU austerity rules.

Deregulation of Labour Markets in Southern Europe: effects, resistances and government policies

Adoracion Guaman, associated professor of Labour Law and Sociology (Spain) presented her conclusions on the EU mechanisms of labour law deregulation: the undemocratic disrespect of both “national/social constitutions” and international treaties. According to Guaman, labour law deregulation took place through: (i) creation of an internal European market, (ii) creation of the EMU, (iii) introduction of austerity measures and (iv) a new *Lex Mercatoria* (a new generation of trade + investment), such as CETA. All these stages contributed decisively to remove from the competence of the States social and labour regulations, with particularly strong effects in the south of Europe which also extend to the global south. A counteracting strategy shall take into account not only pressure on European governments but also international initiatives, such as the “The Binding Treaty on Transnational Corporations and Human Rights”.

For **Hermes Costa**, sociologist and professor in Centre for Social Studies in University of Coimbra (Portugal), the Portuguese labour market was subjected, for the past decade, to European measures of “temporary” character (related to atypical employment contracts) and “permanent” measures (flexibilization of dismissals, changes in labour relations and collective bargaining) with three major consequences: 1) labour market flexibilization; 2) wages devaluation; 3) increase in the work hours. In this context, labour social resistances emerged (trade unions’ confederations alliances + precarious and unemployed workers movements). Although these alliances did not last, the underlining reasons still persist. Another level of resistance come from the Constitutional Court that prevented some labour austerity rules. A new Portuguese political cycle has paved the way for novel mechanisms of social protection, but its effectiveness remains to be proved. In the future, Hermes Costa argues for improvement on labour law enforcement, removal of labour austerity rules and labour law adjustments encompassing novel forms of work (4.0 industry workers).

Why and how Southern Europe has become the weak link of European integration was addressed by **Maria Karamessini**, professor in Labour Economics and Economics of Welfare in Panteion Univertisty and director of Manpower Employment Organization (Greece): the crisis, the existing national-level forces plus Troika and banks bail-out programmes decisively and fiercely contributed to the implementation of the neoliberal reforms on labour markets. Karamessini went through the similarities and differences in labour markets in southern European countries and presented Greece as an extreme example of labour market deregulation. In economical terms, Southern countries weaknesses regarding European integration stem from an old production model that the tourism sector is further promoting. According to Karamessini, the main challenges for Southern European left are: change in the socio-economic model (from export-based to wages-based) and the establishment of alliances (not just amongst Southern countries but also South-North Europe alliances).

Labour market deregulation in southern Europe from the perspective of the weakening of collective bargaining and its economic and social consequences was addressed by **Steffen Lendhorff**, economist and researcher at the Institut Arbeit und Qualification in the University of Duisburg-Essen (Germany). Lendhorff listed a set measures that resulted in overall reduction of trade unions’ power and referred the consequences of law changes at the

national level on bargaining systems. He also showed that the impacts of austerity policies cannot be overcome through collective bargaining, which opens several important challenges for trade unions: reverse the weakening of labour market institutions (without relying on state policies); develop economic strategies counteracting or filling the current void and develop social counterweights at the European Union level (that can be implemented at the national level).

Fighting Tax Evasion

José Gusmão, economist and member of Bloco de Esquerda, spoke about the current debate on tax dumping and evasion. At the Commission level there is an ongoing discussion on a Directive about common consolidated corporate tax base (CCCTB), which aims at having a common corporate tax base (CCTB) and introduces consolidation and apportionment (the economic activity assessment of a given company in a given country) – yet the efficacy of such a directive remains to be determined. At the European Parliament level, initiatives between several countries exist. From José Gusmão perspective, alternative paths for the European Left regarding tax evasion are possible: implementation of tax policies within the European Legal framework at the national level and the apportionment system proposed by CCCTB. Gusmão sustained that, as with many other relevant aspects, tax policy can be implemented at the national level and used to openly confront European institutions.

The national coordinator of ATTAC España (Spain), **Cuca Hernández**, presented the example of tax injustice in Spain, which favours in the Spanish elites (corporate companies and big fortunes) through tax fraud and evasion. According to Hernandez, the Spanish state should be considered as a “tax haven” (or a “tax hideout/lair”, a wording preferred by the speaker) due to the national and European laws and free-trade agreements that currently exist.

A political perspective on tax evasion was given by **Marga Ferré**, president of Fundación Europea de Ciudadanos and secretary for political elaboration of Izquierda Unida (Spain), who focused her intervention on political corruption and underground economy. In the Spanish state, the current tax system was designed by corrupt politicians from Partido Popular (recently overthrown from power and now facing justice). According to Ferré, political corruption is at the base of the financial crisis and its roots come from previous fascist governments who ruled Spain, Portugal and Greece. In her speech, Ferré further mentioned the role of hidden economy/informal economy - affecting not only Southern Europe but all Europe as well - on tax evasion, which shall be considered as a central question for the Left.

Fighting Precarity (session I)

António Mariano, president of the National Dockers’ Trade Union – SEAL (Portugal) presented past and contemporary struggles of Portuguese dockers trade unions against precariousness. If during the Troika years dockers resisted the conversion into precarious work, nowadays SEAL - former Lisbon Dockers trade union - struggles for the existing precarious workers in Portuguese ports. Instrumental to their achievements are: unrelenting struggle for the integration of precarious workers, high degree of dockers unionization,

solidarity amongst dockers at the national and international (International Dockers Council) level, an important strike fund and their own communication office.

The secretary of the Youth and New Realities of Work Youth – Comisiones Obreras (Spain), **Carlos Gutierrez Calderon**, referred to labour precariousness as the ultimate expression of labour market changes (rising temporary, partial and false independent work), a phenomenon observed throughout Europe. By introducing unsafety, uncertainty and labour poverty, precariousness is an effective instrument to subordinate workers, limit the scope of trade unions and annihilate the demands for labour conditions and rights. Calderon put forward ideas on how trade unions shall (re)organize, (re)act and re(think) in order to face the existing labour market: put in the centre of struggles demands for improved labour as well as living conditions.

Daniele Busin, provincial coordinator of Nuove Identità di Lavoro (NIDIL) – CGIL (Italy), talked about the long process of labour reforms in Italy that resulted in the introduction of many different forms of precarious working contracts and how Italian trade unions were unable to foresee its long-lasting consequences. Busin acknowledges that, regardless the specificities of the Italian case, liberalization of the labour markets is a wider phenomenon demanding a European wide response, through the coordination of trade unions.

The deputy minister of Labour, Social Security and Social Solidarity (Greece), **Nasos Iliopoulos**, brought to the discussion the way labour precariousness transfers to all domains of life. This reasoning underlines Syriza's government measures: concrete policies aiming at decreasing unemployment, counteracting precarious labour and, simultaneously, the defense of public health and education systems. Nasos Iliopoulos advocates that the problem of "new" labour is essentially a problem of democracy and that a Left European response, both to the reactionary neoliberal system and the far right, must be through the return of the excluded precarious persons to the labour market and social life.

Fighting Precarity (session II)

A second panel on fighting precarity started with an introductory by **Andrea Allemprese**, professor in Labour Law at the University of Modena and Reggio Emilia (Italy), entitled *Instruments against precarious employment in Europe*. Allemprese referred the new frontiers of precariousness, which have moved from "non-standard", to "atypical", to "precarious" and now "ultra precarious" (*platform capitalism* workers) forms of labour and how the change in the paradigm renders current labour Law ineffective. Allemprese sustains that there is a lack in the European regulation and explained why the current proposals of Directives and Recommendations won't respond to this void. Nonetheless, the Left should consider some proposals/manifestos put forward in different countries (UK, Spain, France and Italy) and which refer to broadening the definitions of "employment contract" and "universal social protection".

An example of precarious workers organizing into trade unions was presented by **Yota Lazaropoulou**, the general secretary of the National Bank Employees - former Ethnodata (Greece). The trade union has been successful in its demands for full integration of

outsourced workers with the same labour rights, salary increase, collective agreements and career perspectives. Solidarity with workers from other sectors and coordination with other emerging trade-unions are key aspects in the efficacy of the struggles and the broadening of labour protection to all forms of precariousness.

According to **Wanda Guimarães**, MP from Partido Socialista and vice-president of the parliamentary commission for labour and social security, neither Portuguese trade unions nor employers' organizations are currently prepared to face the many challenges ahead (e. g., precarious labour and robotization of labour). Guimarães' also referred the urgency of implementing labour law reforms to address the high levels of Portuguese precarious work and face the restructuring of the labour market (including digital labour, gender balance and social exclusion of workers). Wanda Guimarães stressed the need for: a reform on the Portuguese labour law; promotion of the tripartite debate (Government, trade unions and employers) on collective bargaining; a wider debate on organization models for both trade unions and employers' organizations; an increase in the minimum wage; the creation of a platform amongst Southern European countries and the relaunching of the social dialogue at the European level.

The activist from Associação de Combate à Precariedade – Precários Inflexíveis and the Platform of Precarious Workers from the Public Sector (Portugal), **Daniel Carapau**, described the process of regularization of public sector precarious workers, launched in 2016. This process, designed to integrate different types of precarious workers operates in several stages, which have been systematically delayed: elaboration of a survey to assess the total number of precarious workers, call for applications, evaluation by bipartite commissions (government and trade unions/ workers' committees) and opening of the respective tenders. Obstacles and flaws of this process were listed, and the predictable outcome is that a considerable number of precarious workers will not be integrated in the public sector.

Social Transformations in Southern Europe: facing the constraints of the European institutions and treaties

The Greek governmental experience under an economical adjustment programme and future possibilities of organization between Southern Europe Left forces were discussed by **Effie Achtsioglou**, minister of Labour, Social Security and Social Solidarity (Greece). Achtsioglou stressed that under the Troika's memorandum it was possible to implement structural measures without dismantling society (introduction of a social basic income, ensuring universal access to the national health system, implementation of social policies and economic measures counteracting internal devaluation of labour) whilst, simultaneously, the economical crisis and the recession cycle came to an end, restore public finances were restored and tax evasion limited. In Achtsioglou's opinion this strategy for economic recovery imposed by the European institution and technocrats shall not be considered as a success since it brought very relevant contradictions for the European project, as expressed by the rise in far right, populist, nationalist and xenophobic forces. In the minister's point of a view, an "Europe of equals" must be a political goal with concrete proposals, rather than an

“European wish”, which shall sit on three major pillars: 1) the democratic process of decision making; 2) economical institutional changes; 3) social justice and which have been undermined by the prevailing economic European model. Such goals cannot be attained unless the defenders of markets as motor for collective progress retract themselves and solidaire alliances are established.

Carlos Sanchez Mato, economist and councilor of the Municipality of Madrid (Spain) challenged the narrative that austerity measures ended the crisis. According to Sanchez Mato, the economic indicators indicate that we are indeed “in between crisis” and point to the outburst of a new crisis in a short term. In addition, the recovery of the economic growth is also pointed out as being a fallacy (contrarily to what is sustained by others). The example of the Madrid’s Municipality was presented as an alternative economical approach: the doubling in public expenditure while simultaneously reducing public debt and deficit, through fighting corruption and effective fiscal policies that accounted for an increase in tax revenues. Sanchez Mato thinks that an alternative economic model, reversing the right wing government policies, will not be set by the new PSOE government given its will to comply with the European budgetary goals.

The Portuguese sociologist and deputy at the Secretary of State of Parliamentary Affairs, **Hugo Mendes**, referred that the introduction of the EMU without tools to face economic crises, which were only created/implemented *a posteriori*, had three important outcomes were: 1) the asymmetry between negative integration (a blend of ordoliberalism and neoliberalism) versus positive integration (based on institutions and structural funds), 2) seriously harmed democracies at the national level (shifting the righ-left divide to the pro-versus anti-Europe divide) and 3) the instruments created are either insufficient or ineffective in preventing future crises. Taking all this into account, Mendes’ argues that the European Union will hardly survive politically an upcoming crisis unless it is able to constitute a banking union, a fiscal union and political union, although Hugo Mendes recognised that the hurdles towards these aims are huge. The questions of democracy, democratic institutions, public representation within European institutions and sovereignty/independency of national government were also highlighted.