

Industrial & Labor Relations Review

Volume 62, Issue 3

2009

Article 15

European Unions: Labor's Quest for a Transnational Democracy

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Most of the book's polemics and argument are directed at opponents of globalization, and Flanagan does not help his case by sometimes depicting these skeptics as self-interested do-gooders who do not understand Economics 101. His chief modus operandi is to set up and demolish articles from the popular press, such as those arguing for import restrictions and for taming multinational enterprises (pp. 4–5). Nowhere in the text does he cite or take issue with those economists who would agree with some of his findings but view the current form of globalization as inadequate and believe another form is needed. The work of Joseph Stiglitz, for example (*Globalization and its Discontents*, and sequels), is not cited or treated; nor is the insightful work of Richard Freeman (except for a joint piece with Kimberly Elliot), who, although he has argued that there is no evidence of a race to the bottom, still holds a perspective on the current process of globalization quite different from Flanagan's (see, for example, "Trade Wars: The Exaggerated Impact of Trade in Economic Debate," NBER Working Paper No. W10000, September 2003).

Furthermore, only in one instance (p. 111) does Flanagan refer to the report of The World Commission on the Social Dimension of Globalization, *A Fair Globalization: Creating Opportunities for All* (2004). In that one mention, he argues (rightly) that the Commission's recommendations on international migration are weak; but why does he not discuss any of the report's other analyses and recommendations, some of which coincide with his own?

Flanagan seems to be so obsessed with rebutting opponents of globalization that when he has to accept any of their assertions, he cannot do so with good grace. He dilutes his acknowledgment of the increase in inequality, for example, with an argument that is strained at best: because inequality in *health and education* has not increased so very much, one should not make too much of growing *income* inequality (p. 12).

His preoccupation with opponents of globalization results also in an incomplete discussion of the effects of international capital flows on working conditions. For example, the impact of the international financial system on labor is gaining more attention in the literature, but Flanagan reduces the analysis of international capital flows' effects on working conditions mainly to the operation of multinational enterprises (Chap. 6). He argues that multinational enterprises can contribute to development in the receiving country and that, in general, such enterprises do not engage in a race to the bottom. Thus, he interprets (p. 136) David Kucera's finding that low labor standards are

not necessary to attract foreign direct investment ("Core Labour Standards and FDI," *International Labour Review*, 2002) as corroboration that no race to the bottom is taking place, but passes over Kucera's further observation that this is an argument for improving labor standards, since such improvements can be made without constraining investment decisions.

Given Flanagan's generally Panglossian view of the current situation, a corollary of which is that in many instances business as usual is the right course, it is little wonder that the concluding chapter, "Policies and Policy Principles," almost runs out of steam in suggesting a way forward. Readers must largely content themselves with a repetition of Chapter 7's discussion of international labor standards, together with a few suggestions for targeted incentive policies to discourage child labor and forced labor.

The book's last sentence reads, "At the beginning of the twenty first century, the challenge is to devise a focus on the policies that expand opportunities and to resist seduction by punitive policies that limit the opportunities of those whose labor conditions cry out for improvement" (p. 189). I have no doubt that developing-country colleagues opposed to the current incarnation of globalization would agree with that statement.

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European Unions: Labor's Quest for a Transnational Democracy. By Roland Erne. Ithaca, N.Y.: ILR Press (an imprint of Cornell University Press), 2008. 260 pp. ISBN 978-0-8014-4648-1, \$29.95 (cloth).

For decades, the process of European integration chugged along without attracting much interest from most Europeans. Treaties were concluded in intergovernmental summits while the EU's political institutions in Brussels, Luxembourg, and Strasbourg drew attention only from specialists. But the days of tacit support for (or even disinterest in) the European project are over. Since the early 1990s, signs of discontent have been hard to ignore: tens of thousands of protesters have turned out to protest biannual summit meetings of the European Council, which brings together high government officials from the EU member states; and on multiple occasions voters have rejected EU treaties in national ref-

erenda (Denmark in 1992, Ireland in 2001 and 2007, France and the Netherlands in 2005). Both practitioners and academics have often been surprised, and sometimes chagrined, by what seems to be a fundamental disconnect between the EU and its citizens.

One of the most common charges of EU critics has been that the EU undermines national sovereignty and hands power over to faceless EU bureaucrats who are not accountable to EU citizens. This “democratic deficit” has heavily preoccupied not only observers in Brussels and in national capitals, but EU scholars as well, among whom it has stirred a lively debate in recent years. The question of whether, how, and under what circumstances the European Union’s democratic deficit can be remedied has been the subject of numerous inquiries, and in *European Unions: Labor’s Quest for a Transnational Democracy*, Roland Erne links his examination of trade unions to this larger debate, arguing that organized labor has the potential to play a key role in the EU’s democratic development.

The question animating the book can be summarized as follows: given the pivotal role of trade unions in advancing democratization in nineteenth- and early-twentieth-century West European states, is it reasonable to infer that “the emergence of transnational union networks could contribute to the constitution of a more democratic EU” (p. 1), or, to use the term Erne employs throughout the book, of a Euro-democracy? The book argues in the affirmative.

Erne’s argument is that the strategies of civil society actors ultimately determine what type of EU polity will emerge; the more that actors (like unions) pursue “Euro-democratization strategies”—strategies that help to create a European public sphere, organize European collective action, and politicize the EU (p. 25)—the more likely the EU polity is to emerge as a Euro-democracy. When they pursue other strategies (for example, affirming the autonomy of the nation state, rejecting the integration process, supporting regulatory EU decision-making), they are making other outcomes more likely. Indeed, according to Erne, Euro-democracy is only one of four potential outcomes of the EU’s still up-for-grabs political development. Erne sees the development of a European technocracy as a real possibility, and does not rule out the occurrence of a national trenchment, along either democratic or technocratic lines. It is the strategies of key actors—including trade unions—that will push the EU polity to develop in a particular fashion.

Fortunately for the future of European democracy, Erne sees signs that organized labor does

pursue some Euro-democratizing strategies. As evidence of that claim, he points to an emerging pattern of cross-border wage coordination within the EU (Chaps. 6–7), which he argues helps to create a transnational public sphere. Even though national autonomy in wage bargaining is recognized across the EU, European wage bargaining coordination networks agree to European benchmarks as a way to avoid competitive wage restraint and the resultant downward pressure on wages. As further evidence of unions’ Euro-democratizing role, Erne points to their efforts to influence EU competition policy (Chaps. 8–9), citing the transnational collective action against layoffs at ABB Alstrom Power as evidence of the unions’ contribution to “the creation of a European public sphere and a politicization of the EU integration process” (p. 128).

Not all union strategies are “Euro-democratizing” ones, as the empirical chapters demonstrate. But Erne’s examination of the actions of European unions since the early 1990s demonstrates that for all their variety, at least sometimes unions’ actions contribute to European-level coordination, transnational collective action, and a politicization of the EU. In short, whether intentionally or not, unions in these circumstances become key actors in a European civil society—just the sort of thing the EU needs to become a Euro-democracy.

But while the book is on strong ground with the claim that a European civil society is a prerequisite for Euro-democracy, it is less convincing to the extent that it implies that unions’ actions will lead to Euro-democracy. Although Erne is consistently careful not to construct a causal argument of that sort, the reader is left with the distinct impression that the unions are to play a key part in remedying the democratic deficit. There are two reasons one might be skeptical.

First, the implication (reflected in the book’s subtitle) that unions are on a “quest” for EU democracy is not backed up by solid evidence. Erne’s own analysis of union strategies shows that unions choose strategies based on their likelihood of advancing labor’s core interests and power resources, not because unions are committed to the normative concept of transnational democracy. Unions have no *a priori* reason to prefer Euro-democracy over national democracy, or over a technocratic outcome in which they have special status.

Second, even without entering into a debate about whether or how much union decline has occurred across the EU, many may wonder if Erne overstates unions’ capacity to influence the EU’s future political development. Supposing that organized labor continues to become increasingly transnational and unions increasingly undertake

cross-border collective action in response to multinational business mergers, how extensive a contribution will this be to the democratization of the EU? With a penetration rate of about 26% across the EU in 2003 (Jelle Visser, "Union Membership Statistics in 24 Countries," *Monthly Labor Review*, Jan. 2006, p. 45), even if organized labor consistently pursues Euro-democratizing strategies of the sort that Erne describes, the impact may be diluted by competition from the highly publicized national retrenchment strategies of protestors or electorates who say "no" to Europe in national referenda.

Nevertheless, if we take the book's discussion of labor's role in closing the democratic deficit less as prediction and more as a glimpse of how a growing and pluralistic network of civic actors might eventually change the nature of the EU, Erne does provide a useful corrective to one of the dominant positions in the democratic deficit debate. In that view, a *demos* (people) is a prerequisite to democracy (or rule by the demos); therefore the EU cannot be democratized unless (or until) there is a European *demos*. As Erne summarizes it, in that view "the EU cannot be democratized because there is no European society as such, no European public sphere, no European identity, and no European *demos*" (p. 1). So while the EU may have successfully created a common market, democratization is hindered by the fact that it has done less to create a common community of citizens.

Moving beyond a narrow cultural understanding of the *demos* and the pessimistic view that "there is no realistic prospect for remedying the EU democratic deficit" (p. 1), Erne examines the ways that socioeconomic factors (the creation of a single market, a common currency, and so on) actually play a role in constituting a European civil society—in spite of persistent national cultural differences. This is a valuable contribution to the democratic deficit debate, even for EU scholars with no particular interest in the strategies of organized labor.

On the other hand, for scholars interested in organized labor, who may have no particular interest in the democratic deficit debate, Erne's core contribution, and one for which he provides strong empirical evidence, is that unions not only are affected by European integration, but also affect future EU developments through their actions. Whether or not unions can help close the democratic deficit, Erne provides readers with a timely and useful analysis of the ways that economic integration is changing the power resources of organized labor in Europe, the types of strategies unions have developed in response, and the role

that labor (together with other actors) may play in shaping the political development of the EU down the road.

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El Alto, Rebel City: Self and Citizenship in Andean Bolivia. By Sian Lazar. Durham and London: Duke University Press, 2008. x, 328 pp. ISBN 978-0-8223-4129-1, \$84.95 (cloth); 978-0-8223-4154-3, \$23.95 (paper).

Two decades of neoliberal restructuring in Latin America have transformed the state, the nature of capital accumulation, and the working class. During the "lost decades" of the 1980s and 1990s, governments cut public spending and privatized the state-owned enterprises that dominated the economy, dismissing hundreds of thousands of workers. In many of the poorer countries, such as Bolivia, private sector investment failed to pick up the slack. The majority of new jobs were created in the informal sector. While the presence of the informal sector has a direct relationship with declining union density in many countries of Latin America, it does not mean that workers are no longer organized. Rather, as anthropologist Sian Lazar documents in her book, *El Alto, Rebel City*, different forms of working-class organization, such as associations of informal workers, have become increasingly important in the new economy.

El Alto, Bolivia, a large, poor suburb perched on a high plain of 14,000 feet that borders the capital city of La Paz, illustrates well the changing dynamics of working-class organization in Latin America. First, Bolivia presents a fascinating case study of historical contrasts between the past and present, since the popular struggle was once led by independent, militant miners' unions, which took a heavy blow in the mid-1980s when the government closed the state-owned mines, laying off over two-thirds of the work force. Former miners scattered all over the country in search of a livelihood, many of them moving their families to readily available and affordable residential land in new settlements, such as El Alto, on the outskirts of big cities. Second, as a result of rapid urban expansion due to rural-urban migration, El Alto is considered Bolivia's most "informal city."

Today, as Lazar explains, most of the economically active population of El Alto are self-employed