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Living in different worlds?
Challenges to transnational labour solidarity in the European crisis

Abstract

In the ongoing crisis in, and of, the eurozone, mutual dependency of trade unions has become closer than ever, while the respective national areas of conflict are drifting apart. Most notably, the damages of the widely hailed 'reforms' on the German labour market before the crisis, with the implication of a substantial decline in trade union policy impact in Germany, have turned into a menace for unions in the 'periphery' in the course of the eurozone crisis. The present paper argues that, while unions in individual countries will necessarily continue to fight the dominant EU crisis management policies primarily at national level, prospects of success for that matter will increasingly depend on their transnational cooperation. The argument is developed by a comparison between the problems faced by trade unions in Greece and Spain on the one hand, and in Germany on the other.

1 Introduction

International solidarity plays an important role in trade union ideals and rhetoric. However, their activities are concentrated primarily within the nation states in which they achieved their most significant successes in the 20th century, including their own power resources such as the collective bargaining systems, the right to strike and the various possibilities for the establishment of representative bodies at plant or company level. These national achievements are now being undermined most vigorously in the so-called 'periphery' of the Eurozone, whereas in Germany and the shrinking group of so-called 'core countries' trade

unions and the bulk of their members may have the impression they are living in another world. The national areas of conflict for trade unions are drifting apart.

This process has given rise to concerns about a ‘renationalisation of trade union politics’ (Pedrina, 2012: 40). At the same time, however, the policies adopted in the EU to combat the crisis - which are in fact exacerbating it - are increasingly bringing the traditional model of trade union policy up against its national boundaries (Gumbrell-McCormick and Hyman, 2013). In the present article I want to draw a picture of this contradictory situation in which the fates of trade unions in different countries are linked with each other by European crisis management policies, and focus on the problems unions are facing due to the damages done to labour market institutions before and during the present crisis. To this end, I shall confront the trade unions in two of those countries which are most dramatically affected by the crisis, on the one hand, with the German trade unions, on the other.

2 Trade unions and labour market institutions

Trade unions’ ability to exert pressure on employers or governments depends ultimately on their organisational resources, the size of their membership and the possibilities they have to bring production processes and service provision to a temporary halt. These sources of trade union power are known in the literature as ‘organisational power’ and ‘structural’ or ‘labour market power’. The latter may depend on a high union density among workers in certain key functions who are difficult to replace at short notice, but basically hinges on whether a high employment rate increases the market power of workers and their trade unions more generally (on the so-called power resources approach and its multifaceted understanding in the literature, see Brinkmann et al., 2008; Gumbrell-McCormick and Hyman, 2013).

In the course of the 20th century, trade unions succeeded in extending these two power resources by seizing institutionally safeguarded opportunities for exerting influence, that is they acquired ‘institutional power’. It is this indirect, derivative source of trade union power that lies at the heart of the present article. It can be won or defended only if a fourth, less frequently considered ‘communicative’ power resource comes into play, reflected in the ability of trade unions to influence the political agenda or exert political pressure, ultimately

based on the ability to mobilise their own members or even sections of the wider society for political ends.

Institutional power is linked above all to the existence of national or industry-wide collective agreements — possibly reinforced by the practice of declaring collective agreements generally binding, which increases the incentive for employers to join employers' associations. The existence of statutory minimum wages and the level and type of unemployment benefit, which influence the level of the reservation wage, are indirect influences. Basic labour market regulations, such as the nature and extent of statutory dismissal protection and legal minimum standards (e.g. equal pay for agency workers), are additional factors that need to be taken into account. Statutory rights to information or even codetermination also have a direct or indirect influence on trade union bargaining power.

Self-evidently, the organisation and strength of these institutions – and indeed the very fact of their existence - differ from country to country. Whatever their configuration, however, it is the strength or weakness of trade unions' institutional power resources that determines whether the quality of employment conditions depends primarily on power relationships in the labour market and in individual companies or whether the commodification of labour can be limited to some degree at a wider scale. Only by exerting their institutional power can trade unions contribute directly to the generalisation of labour standards. 'Without institutional protection, collective action among workers depends on the caprice of the market' (Western, 1997: 197).

However, if institutional power is not buttressed by, and a continuous renewal of, organisational and structural power and by the capacity to act politically and to mobilise their members, it may give rise to unjustified illusions of power and will in the long term become hollowed out and fragile. And trade unions that have lost their institutional power resources become trapped in a 'Münchhausen-like position from which they can escape only through a new or, even better, a new type of power display' (Müller-Jentsch, 2006: 1243).

In Europe, the crucial importance of labour market institutions and their interplay with the other power resources of unions has popped up within an extremely short period of time. This can be demonstrated best by confronting the experiences of unions in 'antipodes' countries in the run-up and the deepening of the current Eurozone crisis, i.e. Germany on the one hand and Greece and Spain on the other.

3 In the eye of the storm

Looked at from abroad, German trade unions give the impression of strength. To what extent is it justified to draw this picture?

3.1 German unions as pre-crisis losers

IG Metall and ver.di are, it is true, the largest European trade union organisations in terms of membership but union density, at 18% on average across sectors, is actually on the low side.[1] Thus, it is useful to examine the various power resources they have at their disposal.

German trade unions' organisational and structural power resources are concentrated in the large firms in the export-oriented sector of manufacturing industry but extend deep into the so-called *Mittelstand*, although their organisational strength here varies considerably. Trade unions are strong in parts of the public service but significantly weaker on average in the private service sector, although there are stark differences between sectors. In the decade before the crisis, overall union density in Germany fell by around ten percentage points, a greater decline than in virtually all other Western European countries. Only in recent years have the unions managed to slow down or halt the decline in membership.

For the understanding of German unions' traditional strength as well as of their decline until the mid-2000s the interplay of dropping union density and fragmenting institutional power resources is crucial (on what follows, incl. references to sources, cf. Lehndorff 2014b). The two most important institutional pillars of trade union influence are area-wide collective agreements and (indirectly, they are is institutionally independent from the unions) works councils' rights of codetermination. Both got under heavy pressures in various ways: declining coverage by collective agreements[2], numerous local derogations from area-wide collective agreements under pressure from outsourcing and relocations, widespread abandonment of the practice of declaring collective agreements generally binding, the privatisation of public services, considerable reductions in tax revenues as a result of reductions in the tax burden on higher incomes and capital gains, deregulation of agency

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[1] For data on union density and collective bargaing coverage here and in the following sections cf. ICTWSS Database (http://www.uva-aias.net/207).

[2] While in 1996 70% of West-German and 56% of East-German workers were covered by sector-level collective agreements, the share had dropped to 52% and 35% respectively until 2013.

work, promotion of mini-jobs, weakening of unemployment insurance, de facto introduction of a subsidised wage for low earners downward pressure on wages following these 'labour market reforms'—many of the institutions that once provided a level of social equality and redistribution that was impressive by capitalist standards were seriously damaged and in some cases destroyed.

While the weakening of collective bargaining and the 'labour market reforms' had no traceable effects on employment (Herzog-Stein at al., 2013; Knuth, 2014), Germany now has the largest low-wage sector in the Eurozone and has experienced an above average rise in income inequality (Bosch, 2014). The importance of this structural break is expressed in the fact that *actual* wage increases from 2000 until the crisis were only half as high as collectively agreed wage increases (nominal 12.7 per cent in contrast to 23.6 per cent) so that real wages per capita fell by over 4 per cent. Most notably, the year 2003 with its two major cuts—the government decision over the 'Agenda 2010' and the defeat of IG Metall in the East German strike for the 35-hour week—proved to be 'disastrous for organized labor' (Silvia, 2013: 152). To put it bluntly, German trade unions were the most important pre-crisis losers in the Eurozone.

The impact was as negative abroad as it was in Germany. The strongest European economy virtually froze its domestic market and became the origin of social dumping within the Eurozone.[3] Eventually, the weakening or even dismantling of important trade union power resources which had been key pillars of the 'German model' in earlier decades has turned into the single most important driver of economic imbalances within the monetary union. As will be spelled out in the next section, the so-called periphery countries, starting from a lower level of social protection, are now being forced to go down the route taken by Germany and in doing so to adopt even more stringent measures of labour market deregulation. In a nutshell, the defeats suffered by the German trade unions at the beginning of the 2000s have been turned, from 2010, against trade unions in other Eurozone countries.

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[3] This widely debated process is subject to opposing assessments. While it is criticised by many as the outcome of a ‚wage dumping' policy of export-oriented trade unions, others contest the importance of price competitiveness for the export success of German manufacturing. I regard both views as one-sided and potentially misleading and highlight the importance of the partial dismantling of labour market institutions and the stagnation of the German domestic market for the trade imbalances in the Eurozone (for a detailed discussion of this controversial issue cf. Lehndorff, 2014b).

Looked at from abroad, German unions may give the impression to some to be sailing in the slipstream of this storm that is wreaking havoc in Southern Europe. Again—is this impression justified?

3.2 Entering a turn of the tide?

While the German unions were the great pre-crisis losers up until the mid-2000s, it was this very experience which triggered important initiatives in particular of IG Metall and ver.di geared to stop the decline in trade union membership, activate the membership base and revitalise trade union activity at the establishment level (cf. Haipeter and Dörre, 2011). What proved to be important, among other initiatives, were IG Metall offensives at firm level (under slogans such as "Producing better, not cheaper!") aiming at regaining control over local deviations from sector level collective agreements. Similarly, intensive trade union campaigning for a statutory minimum wage and equal pay for agency labour started to turn public opinion vis-à-vis the need to curb the increasing income inequality.

But suddenly, at the outbreak of the worldwide financial crisis, the trade unions were desperately needed by the federal government as a provider of legitimacy in the deepest crisis of neoliberalism so far. A 'crisis corporatism' (Urban, 2014) emerged which fostered a renewal of social partnership on all levels (Haipeter, 2012). The works councils played a particularly important role in this context as they were the coordinating point on the employees' side for efforts to prioritise companies' *internal* flexibility (primarily based on working-time measures) as well as to push for various other local deals that allowed for the survival of firms and the safeguarding of jobs. In some cases the way to such partnership agreements could only be paved by union activism and readiness for conflict. The close cooperation between works councils and local trade union organisations proved to be crucial. This multi-level and multi-faceted approach is perhaps the most important reason why the trade unions played a significant part in the so-called 'German employment miracle' which began in 2008/2009.

The revitalised social partnership, however, is contradictory in nature as it tends to be a revival of the classic 'conflict partnership' (Müller-Jentsch, 1991) of the West-German 'Golden Age'. Many employers had to learn to take the works council and the local trade union seriously again as eye level negotiating partners. What is more, during the crisis—if not connected directly to it—there was a significant service sector labour dispute, namely

the several week-long strike by nursery nurses. This strike symbolised very much the activation of trade unions in sectors, and amongst groups of employees, which had not been at the centre of trade union activism so far. It was also a strong signal that German unionism cannot be grasped by looking exclusively at some strongholds of manufacturing such as the car industry. German unions in general—and IG Metall in particular—'should not be understood as homogenous actors' (Bieler and Erne, 2014).

Regardless of all their shortcomings, such as the widespread weakness in protecting temporary workers, both crisis corporatism and firm-level crisis management, as well the greater willingness to initiate disputes in parts of the service sector, contributed to the strengthening of the unions' political weight. The confrontational policies and rhetoric directed towards the trade unions in the first decade of the 21st century have stopped for the time being. Since 2010 the unions have received much more tailwind in the public for a more active wages policy, not the least due to a greater involvement of the membership base (Schmalz et al., 2013). Thus, after a decade of negative wage drift, *actual* average real wages have increased from 2010 (Schulten and Bispinck, 2014). As a consequence, for the first time since 2000, the domestic market has been the main—if still modest—driver of economic growth in Germany over the past few years.

What is more, unions' demands for a statutory minimum wage and the re-regulation of agency work, have gained strong support in the public. IG Metall ventured, with some success, to make equal pay for agency workers one of the key issues in its 2012 bargaining round (cf. Holst, 2014). The single most important success is the introduction of a statutory minimum wage at €8.50 and the easing of extensions of sector-level collective agreements by the federal government. Irrespective of various open questions and controversial issues these reforms must be regarded as crucial stepping stones towards a 'new order in the labour market' (Bosch, 2012). It is an approach which may prove to be helpful in the future for the desperately needed repairs of the Eurozone.

Thus, the experience of the crisis has given rise to a paradoxical change of trade unions' role in Germany in two respects. First, the fact that the labour market and the economy were stabilised in 2008/2009, thereby creating the conditions for economic recovery from 2010 onwards and the ensuing increase in employment levels, was due to a reactivation of precisely those elements of the German model that had survived the neo-liberal inspired destructive zeal of the years before the crisis. Second, the—by Eurozone standards!—

positive economic development is not to be attributed to the ‘Agenda 2010’, but rather to the first attempts at *curtailing* the damages caused by the Agenda ‘reforms’. The greater trade union influence over wage development has played an important role here.

However, the challenge for unions is to uphold political pressure if the ‘new order on the labour market’ is to be established step by step. There is still a long way to go for the institutional power resources of German unions to be renewed and strengthened. It is a challenge that goes considerably beyond the means of consultation partners in the framework of ‘crisis corporatism’. It points at the need for German unions to strengthen their capacity to act as autonomous political actors, independent of the CDU/SPD government agenda.

While German unions are regaining some of their earlier political importance mainly by revitalisation and campaigning, unions in other countries are being hit by the effects of the pre-crisis defeats of German unions. As summarised by Bieler and Erne (2014), ‘downward pressure on wages and working conditions of German workers (…) have put downward pressure on wages and working conditions and become a problem for other unions in Europe’.

4 On the crumbling margin

The cross-country pendulum effect within a process of dismantling of institutional power resources can best be demonstrated by the example of the unions in two of the ‘antipodes’ countries to Germany within the Eurozone, namely Greece and Spain.

4.1 Strengths amid weakness

For all the differences in detail, one important weakness common to Southern European trade unions in general, and Spanish and Greek unions in particular, can be traced back to the segmentation of the labour market in these countries. The gulf between permanent employees and those in precarious employment is wide and the trade unions derive most of their membership from comparatively well-protected core employees, and particularly those in the public sector. The broad “margins” of the labour market are populated by workers on fixed-term contracts or in informal jobs, mainly women and young people, which is a very problematic situation for the future of trade union organisational power. Just to take an

arguably extreme example, the Greek trade unions, according to their own figures, have only few members under 35 years of age (Prokovas, 2011).

Nevertheless, until recently, trade unions in these countries enjoyed a considerable degree of institutional power. Spanish trade unions played an important part in negotiating the strategic compromises on structuring the welfare state and the labour market during the transition from the Franco dictatorship to democracy (on what follows cf. Banyuls et al., 2009; Köhler and Calleja Jiménez, 2013). Thus despite their weak presence in the workplace (except in large companies) and low overall density of just 16%, they could use their extensive bargaining potentials at sectoral and national level.

On the basis of the *erga omnes* principle, industry-level collective agreements laid down minimum social standards for all dependent employees, such that in 2010 85% of workers were covered by collective agreements. The limited power of trade unions in negotiations with private employers was partially offset by negotiating power vis-à-vis national government based on their capacity for political mobilisation—eventually leading to periodical 'social pacts' (Rohlfer, 2012) Thus, despite the weakness of certain pillars of trade union power, they were able to put in place or defend minimum social standards for broad swaths of the dependent employee population.

In Greece, even more so, there has been only little bargaining at company level (on what follows cf. Karamessini, 2009; Kretsos, 2011; Karakioulafis, 2013). In contrast to Spain, sector-specific as well as intersectoral minimum standards were agreed largely through negotiations in (non civil servants) parts of the public sector with its comparatively high union density of 36%. In comparison to employees in many parts of the private sector, most notably to the large numbers of workers in precarious employment, employees in the public sector enjoyed significantly higher levels of social protection. While trade unions' attention was focused on the bastions of their influence and the immediate interests of the core workforce in them, they managed to erect, even on these relatively weak pillars of union organisational and structural power, a protective shield of basic standards that extended to a national minimum wage. The political basis of this institutional power was both the proximity of the largest national unions to the clientelistic governing parties, primarily the social democratic PASOK party, as well as their ability to mobilise members, particularly in

public transport and energy companies, a power reflected in the fact that Greece was the EU member state with by far the largest number of general strikes.[4]

As early as the decade before the crisis, declining union density, segmented labour markets and the drive to 'flexibilise' labour market regulation were already causing the institutional framework of trade union power to crumble. Nevertheless, as in Spain, it was still shaping the Greek trade unions' role in the early days of the crisis. During the great recession of 2008/2009, the unions were still in some cases involved in consultations through the usual channels at central level on the emergency measures required to deal with the economic slump. However, as the crisis entered its second phase with the emergence of an existential crisis of the Eurozone in 2010, the leeway for this model of trade union interest representation began to disappear. A process of 'institutional disempowerment through an attack on the institutions of labour law' was set in motion (Lanara, 2012: 8). The Great Recession gave way to a Great Aggression against trade unions.

4.2 From the Great Recession to the Great Aggression

One fundamental difference between the phases of the enduring crisis is that in the first phase, during the economic crash and the imminent collapse of the global financial system, most European governments took active measures to combat the crisis. In many countries, the trade unions were able to contribute to these measures, albeit to varying degrees. In the second phase, however, as the crisis in the Eurozone worsened, governments switched to policies that further aggravated the crisis. Instigated to a large degree by the German federal government, drawn up with great commitment by the EU Commission and implemented in coordination with the IMF and the ECB within the so-called Troika, a policy of authoritarian interventionism was adopted that put massive cuts in government expenditure and further deregulation of product and labour markets at the heart of a new form of economic

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[4] Hamann et al. (2012) define general strikes as a nationwide withdrawal of labour by workers in different sectors that is directed against measures being taken by central government. Of the 118 general strikes in Western Europe between 1980 and 2011 listed by the authors, 50 took place in Greece. In second place was Italy with 22 , followed by France with 13 and Spain and Belgium with eight general strikes each. It is a definition which explicitly and intentionally blurs the distinction between economic and political strikes and must leave it to the organising unions to decide whether or not the term 'general' is justified. In the two countries looked at here it can be assumed that in most cases general strikes are largely limited to trade unions' organisational strongholds.

governance regime (Leschke et al., 2014; Schulten and Müller, 2014). It is based on a plan that incorporates every single element of the familiar neo-liberal ‘structural reform‘ programme and has absolutely nothing to do with the actual urgent need for economic and structural reform, particularly in the so-called peripheral countries (cf. the country analyses in Lehndorff, 2014a). As to collective bargaining, it is explicitly geared to ’an overall reduction of the wage-setting power of trade unions‘ by reducing the coverage rate of collective agreements (e.g. by amending the rules on declaring agreements generally binding), by decentralising collective bargaining systems (e.g. through the introduction or expansion of possibilities for derogating from area-wide collective agreements at firm level and negotiating separate company agreements), and by cutting statutory or collectively agreed minimum wages (European Commission, 2012: iii f., 51, 104). This plan was implemented in EU member states through numerous measures, albeit to varying degrees (for surveys see Clauwaert and Schömann, 2012).

In Greece and Spain, the measures that have been taken go in many respects far beyond the weakening and fragmentation of labour market institutions in Germany which are often referred to as a role model.[5] In Greece they included, among other things, the priority of company agreements over sector agreements, the suspension of the extension procedure of collective agreements, and a cut of the statutory minimum wage by 22% (and by 31% for under-25s). In doing so, the government did away with the established practice whereby the minimum wage was negotiated between the parties to collective bargaining at central level, thereby eliminating one of the few mechanisms through which trade unions could exert influence over general minimum labour standards.

In Spain, the dismantling of the collective bargaining and interest representation system has in some respects gone even further. Here too, company agreements now generally take precedence over sector agreements; employers who record losses in two successive quarters are now able to opt out of applying the minimum standards laid down in sector agreements; and collective agreements run out automatically one year after their end of validity unless they are renewed (abolition of ‘*ultra-actividad*’). As a consequence, the

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[5] On what follows, further to the sources cited above, cf. on Greece Lanara (2012), Karamessini (2014), Vogiatzoglou (2014); on Spain Vincent (2012), Banyuls and Recio (2014), Meardi (2014), Köhler and Calleja Jiménez (2014).

collective bargaining coverage has dropped dramatically within a short period of time, and local union delegates are forced into negotiations on the undercutting of wages within multinationals and supply chains. Thus, the pendulum is beginning to swing back to workers and unions in Germany and other Eurozone countries.

The deep incisions inflicted on the institutional systems in both countries were preceded by a period of seesawing between trade union resistance and (in most cases) tripartite social pacts. In 2010 and 2011, the Spanish trade unions agreed compromises on cuts to social expenditure with the social-democratic government. However, they were already political light years away from the protests involving mainly young people that were flaring up at the same time (Da Paz Campos Lima and Martín Artiles, 2011; Candeias and Völpel, 2014). Since 2012, however, the conservative government, while offering consultations once in a while, is far from being interested in compromises. The unions are facing what Köhler and Calleja Jiménez (2014: 369) call a ‘strategic dilemma between an attachment to partly delegitimized institutions and a credible participation in the protest movement’.

Similar developments could be observed in Greece. Here too, the Troika’s dictates were initially carried out by a Social Democrat-led government. The trade union umbrella organisation GSEE was, as a senior official put it, ‘at pains to maintain social dialogue and the institutions of social partnership’ (Lanara, 2012: 10). However, this was no longer possible. Under the conditions set by governments that willingly carried out the Troika’s dictates, the relationship between the trade union confederations and ‘their traditional political allies have been shaken’ (Karakioulafis, 2013: 130). The leadership of the unions are caught, as Vogiatzoglou (2014: 363) summarises, in ‘a vicious circle of organisational deficiency and a lack of societal credibility’.

Thus the trade unions in both countries have been thrown back on their own resources and have had to begin developing their own potential—their organisational power, their ability to strike and their capacity for political mobilisation and alliance formation. While the number of general strikes increased over recent years, the trade unions are now increasingly hitting their heads against a brick wall. Being cut off their traditional role as springboards for social pacts, general strikes have become more and more political protests without direct effects on government policies, regardless of how broadly based participation in them is.

As a result, the unions have to tackle two strategic challenges at once, that is, 'internal organisational renewal and external alliances with societal protest movements', as Köhler and Calleja Jiménez (2014: 377) point out for Spain. The mass protests in Spain, Greece and other crisis-hit countries had essentially little to do with the unions, at least initially. Young workers, who in Spain and Greece are the ones worst affected by the crisis, are the group with the weakest links with the trade unions. In Greece, there were even public disputes between the 'movement of the squares' and the unions. As Hyman (2007: 206) had suspected even before the crisis, the unions were now 'outsiders in a terrain where until recently the role of insiders was comforting and rewarding'—they now have to seek 'cooperation, often uneasy, with other social movements which have never acquired the respectability gained by trade unions in most countries.'

It takes time to grow into such an unaccustomed role. This is gradually happening as, for example, union members become active in neighbourhood movements, where they are no more able than members of any other social organisation or party to act as representatives of an organisation. Arguably, the most important progress so far has been achieved by Spanish unions as a part of the so-called 'cumbre social', i.e. a mass mobilisation in sectors such as the education and healthcare systems, which until now were not among the bastions of trade union influence. Since there is a widespread feeling that public-sector employees are a privileged group, here too building bridges is an essential task (Muñoz de Bustillo and Antón, 2012). Nevertheless, it is due to this social movement approach that, for example, public hospitals in Madrid could be defended against privatisation.

The experience of the cross-country pendulum effects before an in the current crisis underscores the extent to which European unions—at least the ones in Eurozone countries—have become dependent on each other. This leads us to the question on the consequences this may have for future transnational trade union cooperation.

5 Future prospects

In today's Europe, trade unions are facing the challenge of 'building bridges' both within their own country and across borders. Over recent years, the mutual dependency of unions has popped to the surface. The trade unions in a number of Eurozone countries are now looking back at years of damage wreaked on their institutional power resources. At the same

time, the market competition between the Eurozone economies and states has caused the Eurozone countries to drift apart economically and socially at an alarming rate. There is an enormous gulf between the problems confronting trade unions in the individual countries. In this situation transnational movements aimed at building broadly-based solidarity are hard to imagine. For the unions, taking up this challenge means making what was hitherto an elite project into a matter for their members by incorporating their approach to Europe into their core policies. To close what Urban (2015: 288) calls ‘a painful gap in European policy strategy’, however, is being increasingly forced upon them by circumstances. Solidarity does not only require empathy—it must always be based on the understanding of one’s own interest.

For all the national differences, some of the basic challenges posed by this situation are surprisingly similar. Unions in the individual countries must fight the crisis management policies at national level. The defence and renewal of the damaged or dismantled labour market and collective bargaining institutions is of particular strategic importance here. True, institutional power resources which are not based on trade unions’ organisational power will inevitably be hollowed out and may even produce a harmful illusion of strength. This makes the organisational revitalisation even more important as it is a crucial precondition for the recovery of institutional power (Dörre, 2008).

Union revitalisation, in turn, needs to bridge the gap to social movements, as has been indicated by the example of Spain. This requires credibility based on political autonomy. The latter is not to replace political parties. Rather, it is about forcing politicians into taking account of trade unions’ and social movements’ concerns and ideas. It is the role of a ‘*constructive* veto wielder’ as suggested by Urban (2015: 290). Given the ongoing crisis of the Eurozone, the emphasis on ‘constructive’ includes the need to develop, or support, alternative socio-economic development paths for individual countries—as has been suggested in CGIL’s ‘Piano del lavoro’ or the DGB’s ‘Marshall Plan for Europe’— as a basis for a new course of action at EU level.

To be clear, the dual challenge of greater political autonomy and of building constructive veto power in their own country applies to German unions as much as to those in other countries. By way of example, the ‘Agenda 2010’ made the conflict around primary income distribution more political, as highlighted above, and the ‘fiscal pact’ is now increasingly confronting the trade unions with the challenge to influence the political struggles around

secondary distribution. In Germany, public investment both into infrastructure and 'human resources' has been at one of the lowest levels in the EU for many years, and net public investment has been negative since 2003 (Rietzler, 2014). In fighting against the effects of this austerity approach, the trade unions can expect little support from the mainstream political parties, which not only adopted the 'debt brake' and the 'fiscal pact' for Germany but also ensured that it was foisted upon the other countries.

The latter example demonstrates that even in Germany hardly any of these political challenges can be coped with within national boundaries alone. Even more so, the confrontation of austerity policies, the reconstruction of labour market institutions, or the quest for investment strategies geared to open the doors towards new socio-economic and ecological development paths, while having to be fought for at national levels with distinctive country-specific features, need the backup and joint initiatives at EU level. Here too, similar to the need for political autonomy of national union organisations, policy has to be conducted beyond 'the preserve of the professional trade union diplomat' (Hyman 2011, 67).

This is not primarily a problem of innovative programmes such as the ETUC's 'New Path for Europe'. The problem is how to put such resolutions into practice. A positive experience over recent years has been that under specific circumstances concrete deregulation measures can become 'significant crystallisation points for transnational union resistance' (Erne, 2012: 134). This has been demonstrated, among others, by the harbour campaign and the water initiative but also by joint action of European Works Councils (Dribbusch, 2014). The challenge now is to identify potential 'constructive' quests applicable to transnational campaigning. Issues debated include youth unemployment or a European investment programme. A particularly crucial issue will be the call for EU-wide social minimum standards which could help to repair or rebuild national labour market institutions. Whatever it be, it must be based on a broad consensus across national union organisations as much as it must be fit for campaigning.

There is obviously still a long way to go, but European unions have taken steps ahead. While the danger of 'renationalisation' will not disappear over night, the neoliberal approach to European integration will continue to reinforce the mutual dependency of trade unions across borders, thus maintaining the pressure for intensified transnational cooperation.

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