



Open Research Online

Citation

Woodcock, Jamie (2018). Changes in Employment: The Role of the State and Its Reconfiguration in the Liberalisation of Employment Policies. In: Stewart, Paul and Fedyuk, Olena eds. Inclusion and Exclusion in Europe: Migration, Work and Employment Perspectives. London: ECPR Press, pp. 17–34.

URL

<https://oro.open.ac.uk/68736/>

License

None Specified

Policy

This document has been downloaded from Open Research Online, The Open University's repository of research publications. This version is being made available in accordance with Open Research Online policies available from [Open Research Online \(ORO\) Policies](#)

Versions

If this document is identified as the Author Accepted Manuscript it is the version after peer review but before type setting, copy editing or publisher branding

Woodcock, J. (2018) 'Changes in employment: role of the state and its reconfiguration in the liberalization of employment policies', in O. Feduyk and P. Stewart (eds) *Inclusion and Exclusion in Europe: Migration, Work and Employment Perspectives*. London: ECPR Press.

In order to address the role of the state and its reconfiguration in the liberalisation of employment policies it is first necessary to situate the dynamics involved both temporally and geographically. The countries that are the subject of this chapter can be broadly divided into three groups: first, the UK, a member of the European Union (EU) with its own currency that has been at the forefront of implementing neoliberal policies. The second is France, Spain and Germany, EU member states that use the single currency. While there are of course important differences between the three, the membership of a monetary union introduces a number of common dynamics. The last is Poland, a more recent EU member state that had undergone a rapid transition from being a so-called member of the communist bloc to the free market with its own currency. The chapter begins by discussing the emergence and development of neoliberalism, before moving on to discuss migration. The example of the UK will be examined, focusing on the role of the state and new employment policies. The next part will discuss France, Spain and Germany while considering the trends in the Eurozone more generally. Finally, the last section considers the trajectory of Poland, before drawing overall conclusions.

An important starting point for understanding neoliberalism is provided by David Harvey (2005: 2). He argues that it is 'in the first instance a theory of political economic practices that propose that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade'. These practices have achieved a relatively hegemonic position since the 1970s, resulting in the state implementing programmes of 'deregulation, privatization, and withdrawal of the state from many areas of social provision' (Harvey 2005: 3). It is for this reason that the chapter will predominantly focus on the public sector. Not only does the state remain a major employer, both directly and indirectly, but the three areas identified by Harvey have a significant effect on workers in this sector. Harvey (2003: 157) reformulates Marx's (1990: 915) notion of primitive accumulation, arguing for its continued importance today as 'accumulation by dispossession', of which privatisation forms 'the cutting edge'. However, it is not sufficient to merely cite the process of neoliberalism in analysis. As Peck (2013: 153) argues, this must not become 'a substitute for explanation'; rather, it 'should be an occasion for explanation', interrogating the specificities of the processes that are unfolding. Thus, while neoliberalism – in general terms – has become a target for even mainstream economic critics, Lapavistas (2005: 39) argues this analysis still tends to 'avoid recognising the implications of capitalist class divisions and power'. As a consequence, 'they are incapable of providing effective support to those engaged in opposing capitalist exploitation and oppression'. This is the challenge that the subsequent sections of this chapter will attempt to take up.

The subject matter of this chapter requires a deep discussion of what neoliberalism has entailed in practice. It is a term, after all, that has risen to ascendancy in contemporary analysis in ways that can be problematic. As Peck (2013: 133) has argued, 'neoliberalism has always been an unloved, rascal concept, mainly deployed with pejorative intent, yet at the same time apparently increasingly promiscuous in application'. The important question is distinguishing what is new that is being referred to when the term is deployed. Does neoliberalism imply a novel mutation of capitalism or is it an intensification of the exploitative dynamics at the core of capitalism? Is neoliberalism the

problem or is it a symptom of something more systemic? Therefore, when attempting to address the question of changes in employment, the relationship between labour and capital requires interrogation. This relation is complicated by the role of the state and employment policies, acting in different ways to mediate between labour and capital. Although anti-state rhetoric permeates much neoliberal discourse, this chapter will detail the ways in which the state continues to play an important role.

The Development of Neoliberalism

In order to understand employment relations today there are three important moments to consider. The first is the transformation of capitalism that took place at the end of the 1970s and start of the 1980s. In the broadest terms, this entailed a shift from the preceding 'Keynesian compromise' of Fordist capitalism. In Western Europe and North America this had entailed a period of high growth rates and low levels of unemployment. For workers – although limited predominantly to white men – this meant an expectation of continuous and secure employment and increased consumption of mass-produced commodities. In addition to this there was the proliferation of welfare provision: education, healthcare, pensions and so on. This compromise did not last. The world economy entered a 'structural crisis' in the 1970s, precipitated by the falling rate of profit and punctuated with energy crises. The result was stagflation: growth rates declined while unemployment and inflation soared. It is out of this context that 'a new social order' emerged: neoliberalism (Duménil & Lévy 2005: 9).

The first instance of experimentation with the neoliberal project can be traced to the 1973 military coup in Chile. The 'Chicago Boys' – economists trained in the USA who returned to Chile – established a radical right-wing programme of reforms following the CIA-backed overthrow of the democratically elected socialist government of Salvador Allende. The programme has been described as an instance of the 'shock doctrine' (Klein 2008), exploiting a crisis to implement widespread reforms. After this test of neoliberal reforms – which it should be remembered involved thousands of deaths, tens of thousands tortured and hundreds of thousands exiled – it took on a more 'established form' within a decade with the election of Margaret Thatcher in the UK and Ronald Reagan in the USA shortly after. The employment reforms that followed were unprecedented: the 'labour market was to be "deregulated" and labour made more "flexible"'. These terms are somewhat euphemistic, yet they are helpfully clarified by Munke's (2005: 62) further explanation that it would involve the restoration of 'management's "right to manage" . . . in all its splendour' and that the 'market would not be allowed to suffer from "political" constraints'. This articulates the class-based nature of the project: increasing the exploitation of labour in various ways. The state withdrew or reduced employment regulations, freeing capital to take the initiative. Clearly these 'paths towards neoliberalism were diverse', with different historical circumstances and political contexts, but by 'the end of the 1980s it had become remarkably hegemonic' (Munke 2005: 62).

The second moment of neoliberalism started in the 1990s. From a position of relative power there was a shift towards a more active approach. This involved 'a "roll out" of new policies rather than just a "roll back" of the state'. The preceding process that extended 'the logic of the market through liberalisation and commodification was no longer sufficient'; therefore, new aggressive policies were introduced that aimed to reach into the 'social domain with issues such as welfare reform, penal policy, urban regeneration and asylum seekers coming to the fore' (Munke 2005: 63). In the UK this

could be seen with the election of Tony Blair in 1997; having previously ditched Clause 4 of the Labour Party constitution that referred to public ownership, it heralded a new wave of neoliberalisation.

The third moment is the shift in policies that has occurred since the 2008 financial crisis. The widespread adoption of austerity measures by different countries has involved both continuity and change. The same principles are still guiding state policies – lowering taxes, deregulation, privatisation and the reduction of public spending – yet they are now ‘being pursued in an even more sternly necessitarian fashion than before’ (Peck 2013: 134). In a sense it is remarkable that the neoliberal doctrine was able to survive the banking collapse and subsequent bailout from the state. As Peck (2013: 135) argues, at one point ‘even Keynes was exhumed, if not entirely rehabilitated, as a justification for once again saving capitalism from the capitalists’. In the process ‘the “system”’ was ‘duly saved, almost entirely at public expense and with hardly any strings attached’. The remarkable part of this is that the bailout and its implications were quickly forgotten, and ‘it was not long before business was being conducted almost as usual’ again.

The development and acceleration of neoliberal policies covers an increasingly broad reach and so it is important to identify those that have a specific impact on employment. The theoretical basis of neoliberalism contends that ‘factors of production – labour and capital – get paid what they are worth’. Therefore wage levels and income distribution will be resolved effectively by the market. When considering ‘aggregate employment determination’ it is asserted that ‘free markets will not let valuable factors of production – including labour – go to waste’. It is argued that prices will change and all factors will become employed, treating labour like any other factor. This claim is the basis of Chicago School monetarism that ‘economies automatically self-adjust to full employment’, so there is no need to intervene to raise employment as it will only cause inflation (Palley 2005: 20). This provides the theoretical justification for a number of employment policies. First, if the market itself results in labour being paid a wage according to its worth, there is no role for other institutions. Trade unions in particular are identified as problematic in this process. By this understanding, ‘policy interventions to increase employment either cause inflation or raise unemployment, by destabilising the market process’ (Palley 2005: 23).

Yet this does not mean the complete withdrawal of the state from the workings of the market economy, something that can often be misunderstood. The state remains important for ‘remedying market failure’, as ‘a provider of essential services related to education and health’, and furthermore ‘plays a critical role in stabilising the business cycle through fiscal and monetary policy’. At the most basic level the ‘government is integral to the working of private markets, through its provision of a legal system that supports the use of contracts’ (Palley 2005: 27). So despite the anti-state rhetoric throughout neoliberal discourse, it remains an essential component – both as a driving force and support – for organising society as a free market. As Munke (2005: 62) has also argued, ‘Government intervention was crucial to the making of markets, yet neoliberalism has as a central tenet the seemingly contradictory missions of “driving back” state intervention’.

Migration and the Neoliberal State

The contradictory role of the neoliberal state in the EU can be seen clearly in the development of migration policies. The management of nation states and EU borders has been fundamentally restructured since the early 2000s. The rise of so-called Fortress Europe has seen a tightening of

restrictions, particularly as ‘wall jumps in Ceuta and Melilla’ – the Spanish pene-exclaves in North Africa – ‘increased and boat interceptions in the Atlantic and Mediterranean became commonplace’ (Casas-Cortes et al. 2015: 2). A shipwreck in the Mediterranean in April 2015 saw almost a thousand migrants die – four months into 2015 the number of deaths was already thirty times that of 2014 (Kingsley et al. 2015). The scale of these numbers highlights how debates over migration policies have concrete and horrifying outcomes. Rather than retreating under neoliberalism, the state is undergoing a process of reconfiguration. In particular, this has involved an increase in the role of the state in deregulating capital and employment policies and the pressure to manage migration for employment.

The neoliberalisation of the state has two interrelated ramifications for migrant workers. The first is that while there remains a high demand for migrant workers within Europe, processes of social exclusion are increasing (both for migrants and other low-paid workers). These ‘European Others’ therefore face ‘contemporary practices of social exclusion [that] are indisputably tinged by racialization or ethnification’ (Schierup et al. 2006: 2). This reduces the social security safety net, forcing migrants into more precarious employment conditions. This is greatly exacerbated by the second factor that these neoliberal policies ‘tend to be publicly rationalized and legitimized in ethnic, racial, and cultural terms’ (Schierup et al. 2006: 2). Therefore, it can be argued that neoliberalism creates conditions of state-led racism at the top of society, which provides the space for the widespread growth of far-right populism and fascism. As will be discussed later, in Poland there has been a significant rise of the far-right, while there are also notable examples in the UK, France and elsewhere in Europe. This means that migrants can face racist policies and also risk street violence, a combination that has been incubated in the deregulation of the neoliberal state. These increases in nationalist, conservative and even outwardly fascist movements come into conflict with state policies that while they take an anti-immigrant rhetoric do not seek the same aims. However, like that of employment policies discussed before, there is a similar risk that structural forces are overemphasised in a way that obscures the agency or resistance of migrants themselves.

One approach to investigating migration has been proposed by Casas-Cortes et al. (2015: 2). They argue that two components are required to understand contemporary migration in Europe. The first is ‘border externalisation’. This is the process by which the management of territory has shifted from the geographic limits of the state. As Raeymaekers (2014: 168, quoted in Casas-Cortes et al. 2015: 2) puts it, the shift from the ‘stable ground of national checkpoints and territorial lines on maps to make them part of a more fluid landscape built on overlapping, and often contradictory, histories of mobility and exchange’. The second is ‘AoM’, referring to the way in which the ‘focus has shifted from the apparatuses of control to the multiple and diverse ways in which migration responds to, operates independently from, and in turn shapes those apparatuses and their corresponding institutions and practices’ (Casas-Cortes et al. 2015: 2). This important theoretical shift is analogous to that of Italian Workerism, which Tronti (1971: 89) explains as having to ‘invert the problem’, rather than starting with capital, to ‘change direction, and start from the beginning – and the beginning is working-class struggle’.

While this chapter focuses on the macro-level structural changes taking place in Europe, particularly examining employment, the notion of the AoM – and indeed of labour – is an important consideration to keep in mind. In the context of neoliberalism and austerity programmes in which labour is facing a sustained attack there is a risk to minimise both worker and migrant agency. The role of migrant labour across the EU is significant yet varied. Casas-Cortes et al. (2015: 3) suggest that Moulier-Boutang’s

(1998) contribution to migration – only available in French and less well known than his work on cognitive capitalism (see Moulier-Boutang 2011) – indicates an important way forward. The AoM highlights the ‘primacy of mobility in the history of capitalist development’. So rather than casting migrants as passive victims, it is important to understand the role that they play in Europe, in terms of both employment and resistance. This chapter seeks to outline the structural forces at work in a range of countries and across the EU more generally, the task of uncovering the agency of workers and migrants on a micro (Section II of this book) and collective (Section III) level is left to subsequent chapters. It is, however, important to first map out the conditions, both as a result of these struggles and as the context from which new struggles will emerge.

Neoliberal Employment Policies in the UK

The UK – along with the USA – has led the way in introducing neoliberal policies and the restructuring of both the state and society. The period from Thatcher to Blair has seen an iterative process of changes that, while many of them began in the UK and USA, are increasingly adopted elsewhere. It is therefore possible, particularly in the context of the EU, to discuss the UK as a testing ground where policies are developed. The watchful eye of capital and the ruling elite in different countries can take inspiration from these experiments and even the less attentive will be compelled to do so through competitive pressures. This section therefore discusses neoliberal employment policies with specific reference to the UK, before moving on to discuss France, Spain and Germany, followed by Poland.

The processes of neoliberalism have undergone a significant intensification in the wake of the 2008 financial crisis. The coalition government that took power in 2010 in the UK promptly embarked on a far-reaching programme of reforms. This involved abandoning measures to address employment that the previous Labour government had introduced, for example, removing ‘an employment subsidy scheme and a scheme that “guaranteed” young workers access to work, education or training’. In addition to the abandonment of individual policies, the proposed assault on the public sector would by the government’s ‘own estimate . . . lead to the loss of up to half a million public sector jobs’. University tuition fees were tripled to over £9,000 per year, while the Educational Maintenance Allowance – a grant for young people from low-income families to continue education – was stopped. In addition to these attacks on further and higher education, it was also proposed to stop the Train to Gain scheme for training at work. A wide range of welfare benefits were frozen or cut, with a drive to reclassify those receiving incapacity benefits as unemployed. Access to unemployment benefits became contingent on accepting job offers, forcing people to accept low-paid work and typically non-unionised work. The combinations of these ‘measures imply a substantial reduction in security and opportunities for “lifelong learning”, weaker labour market and social mobility and a deepening of social divisions’ (Heyes 2011: 654). The resistance to austerity in the UK had a promising beginning. There were mass mobilisations of students following national strike days called by trade unions. However, the lack of coherent alternatives and a general acceptance of the framework of the reforms significantly hampered the official trade union movement.

The neoliberal transformation of the state has involved specific changes in employment policies related to the question of unemployment. MacGregor (2005: 144) argues that there has been ‘a general move away from the full employment goal towards activation policies’. This has entailed policies like the ‘use of unemployment benefit to ensure compulsory training or redeployment,

combined with support for low-paid work'. This policy shift relating to benefits requires support, something that the government attempted to achieve, as Jones (2012: 11) argues, by 'blaming its users' in the UK. There has been a constant stream of articles demonising people receiving benefits, particularly found in the 'tabloid caricature of the slobbish single mother who milks the benefit system by having lots of children', despite the lack of any empirical evidence to support this. This has gone hand in hand with whipping up anti-immigration rhetoric: the oft-repeated story that immigrants are coming to take jobs, housing, benefits and so on. A particularly telling example took place on New Year's Day 2014. Both 'politicians and journalists' claimed that the lifting of immigration restrictions would result in 'the arrival of millions of unemployed Romanians' and although they were 'desperately waiting' for this at the airport on the day, they were 'greeted by two new entrants, both of whom already had jobs' (Syal 2014). The demonization of the unemployed and immigrants is an attempt to shift responsibility for the crisis and justify various policy interventions. This is a dual attack on already marginalised groups like migrants in society: not only are they being blamed for causing the crisis, they are also being forced to pay the cost.

The attacks on marginalised groups take place in a context with two important defining characteristics. The first is a trade union movement that does not seem to have recovered from the defeats of Thatcherism, nor has it come to terms with the second feature: the reorganisation of post-Fordist work. As Beck has previously argued, there has been

>a transition from a uniform system of lifelong full-time work organized in a single industrial location, with the radical alternative of unemployment, to a risk-fraught system of flexible, pluralized, decentralized underemployment, which, however, will possibly no longer raise the problem of unemployment in the sense of being completely without a paid job. In this system, unemployment in the guise of various forms of underemployment is 'integrated' into the employment system, but in exchange for a generalization of employment insecurity that was not known in the 'old' uniform of full-employment system of industrial society. (Beck 1992: 144)

Too often casualised work is treated as a problem at the margins of the labour market and challenges from trade unions are limited to protecting the core membership from its reach. The levels of trade union membership are continuing to fall in the UK and the failure to successfully oppose neoliberal employment reforms has had directly tangible effects. In 2012/2013, 52 per cent of households were receiving more in benefits than they paid in taxes (Memon & Knox 2015). However, this does not reflect the prevalence of the tabloid caricature, rather that the reforms have created 'a layer of low-paid workers on the margins of the labour market, dependent for their living standard on state benefits' (MacGregor 2005: 144). The state is therefore subsidising the low wages paid by private companies. This has a disproportionate effect on migrants who face stigmatisation, economic compulsion and furthermore 'are often excluded from welfare entitlements' (MacGregor 2005: 147), thus lacking the same access subsidisation for low wages.

There has been a significant increase in casual work across the EU since 2008. In 2012 the share of temporary hiring had grown to 71 per cent for elementary occupations and was becoming widespread in skilled occupations too. The prevalence of temporary work has also involved the rise of new forms such as 'on-call work'. In the UK there is increasing use of 'zero-hour contracts'. This is a particularly precarious arrangement, in which the worker must be constantly available, yet receives no guarantee of any work (Eurofound 2015: 46). Therefore, capital need only purchase labour time when required, eliminating any non-profitable moments. There is legal ambiguity surrounding zero-hour contracts in

the UK, as well as a difficulty in ascertaining the exact total number of workers they affect. For example, the UK Labour Force Survey estimated that there were 250,000 people on these contracts in 2012, the Office for National Statistics estimated that during a two-week period there were 1.4 million active and 1.3 million inactive contracts, whereas the trade union Unite puts the figure at 22 per cent in the private sector (quoted in Eurofound 2015: 59–60). In the fast food industry and other service occupations it has become the norm, and there is also now widespread use of the contracts in care work in the NHS and local authorities (Eurofound 2015: 60–62). This relation between labour and capital is proving successful and becoming generalised further. For example, a UK company called Slivers of Time ‘provides technology that enables its clients to build and manage talent pools to meet short-term fluctuations in staffing’ and in somewhat dystopian terms ‘it operates in real time’ (Eurofound 2015: 47).

Privatisation has a number of implications for employment. However, before considering these it is necessary to distinguish between the two main forms that privatisation has taken. The first is the more straightforward form: ‘the sale of publicly owned assets’, the transferral of ownership into the private sector. This has a clear potential to negatively impact on the terms and conditions of workers. The new owners buy these assets to make money, often this can involve driving down the pay and conditions of workers, restructuring the organisation and the introduction of the profit motive. The second type of privatisation is the ‘more creeping form under the heading of the private finance initiatives [PFIs]’ a ‘part of public private partnerships’ (Arestis & Sawyer 2005: 199). This involves the ‘shift away from the “inhouse” provision of goods and services (and particularly the latter) by the public sector and towards the contracting out of services to be provided by the private sector’ (Arestis & Sawyer 2005: 200). For example, in the UK this process can be seen clearly in healthcare and education. Private companies were contracted to build hospitals and schools which they are then paid to operate, often taking over the contracts of workers who were previously public sector employees. There have been over 700 PFI contracts for new schools, hospitals and other public facilities with a total capital value of £54.7bn, yet it is estimated that by the end of the contracts these will have cost the UK government £301bn overall (Campbell et al. 2012). This represents a vast transferral of public money into private hands. The change in employer – or indeed shift to multiple employers – can result in ‘weakening the power of trade unions in public-sector wage bargaining’ (Arestis & Sawyer 2005: 200). Although the state as an employer is increasingly hostile to trade unions, for now at least, it does not prevent workplace organisation in the more aggressive ways found in the private sector. Particularly in healthcare, outsourced services are increasingly being delivered with the use of zero-hour contracts, partly because the ‘local authority pays only for the working time actually spent with clients’ (Eurofound 2015: 65), and partly as a drive to make these services profitable.

The European Union and Neoliberal Employment Policies

The EU and its constituent member states include a range of different experiences, yet the common trajectory has been towards the adoption of neoliberal policies. The European institutions have played an important role in the convergence of these policies, but distinct national contexts complicate the overall picture. In a similar way to the processes described before, there has been a concerted move towards neoliberalism in most European countries since the late 1970s. It is important to note that these policies have not only been pushed by the centre or right-wing parties in Europe. As Milios explains:

>Centre-left governments persist in not prioritising the reduction of unemployment or the promotion of growth by public spending. Instead, they prioritise price stabilisation, the reduction of public deficits, the promotion of 'labour-market flexibility' and the privatisation of public enterprises . . . the persistence of neoliberal policies and ideas has been achieved through policies officially aiming at the promotion of economic, monetary, and political unity among EU states. (Milios 2005: 209)

This widespread acceptance of neoliberal policies was famously summed up in the acronym TINA – There Is No Alternative – and while it is possible to theorise various alternatives, European politics has so far been relatively bereft of these in practice. The recent emergence of Podemos in Spain could represent a break from the status quo, but is still far from a European-wide rejection of austerity and the neoliberal policies of the last thirty or so years.

Across Europe there have been pressures to achieve low inflation and reduce public deficits, spurred by the Maastricht Treaty and later the adoption of the single currency. Thus in Europe it is not only the national state that has developed employment policies; these are also influenced by the European Commission and common monetary policy rules (Heyes 2011: 645). The most recent changes to employment in Europe have followed in the wake of the economic crisis in 2008. The overall rate of unemployment in Europe jumped from 7.1 per cent in 2007 to just below 9 per cent in 2009. For younger people aged under 25 in the EU-27, the rate of unemployment increased from 15.3 per cent in 2007 to almost 20 per cent in 2009 (European Commission 2010: 165, quoted in Heyes 2011: 642). The response from the European Commission (2008) was to introduce a Europe Economic Recovery Plan, which 'emphasized that in addressing the labour market dimensions of the crisis, EU member states should develop measures within a policy framework informed by the principles of "flexicurity"' (Heyes 2011: 643). The European Commission (2007: 10, quoted in Heyes 2011: 643) defined the principles as an 'integrated strategy to enhance, at the same time, flexibility and security in the labour market'. Heyes (2011: 643) concludes that despite the discussion of 'flexicurity', 'the dominant trend has instead been towards less security'.

The success in changing to the terms and conditions of established core workers makes it much easier to force changes on to workers at the margins. The increasingly precarious position of workers in the EU labour market can be seen in the rise of temporary and agency work. Policy changes have resulted in fewer restrictions on these kinds of contractual arrangements and in this less-regulated environment they have expanded. In 2006, before the economic crisis, almost 15 per cent of workers in the EU-15 had a temporary employment contract, increasing from 12 per cent in 1996. However, in France, before the economic crisis, half of the total employment growth from 1991 to 2001 was as a result of new temporary jobs (Heyes 2011: 647). Seven years after the crisis, 'intermittent work' has become a much more common phenomenon across Europe (Eurofound 2015: 46). For example, in France intermittent work contracts known as 'intermittents du spectacle' and categorised as 'custom short-term contracts (CDD d'usage)' (Eurofound 2015: 54) have been formally introduced. While workers retain various employment rights, it nevertheless represents the normalisation of short-term employment contracts. Similarly, in Spain and Germany there has been an increase of ICT-based mobile work (Eurofound 2015: 75). If these become profitable arrangements for capital, there is likely to be the imperative to generalise these out into further sectors.

In France, the relatively high proportion of public sector workers means that the impact of a shrinking or restructured public sector is particularly significant. Before the economic crisis, the state attempted to implement the CPE (or First Contract of Employment) law for under-26s. This aimed to remove

employment protections for younger workers, for example, allowing them to be dismissed without reason. There was a mass mobilisation against the law by students and trade unionists, which included protests, strikes and occupations. This forced the French government to withdraw the CPE law. In 2010 there was 'the attack on retirement', an attempt to raise the retirement age and the full state pension age by two years. As Simon (2011) argued, it was 'an expression on the French level of the world-wide tendency to ward off the global fall in the rate of profit by both increasing productivity and cutting labor costs'. Pensions have been a focus of reform across various countries, and Simon (2011) notes how 'the crisis has accentuated these tendencies'. For workers they represent deferred wages, yet for capital they present two problems: they are becoming more expensive because workers are living longer (something which should in fact be a cause for celebration) and they are a commitment that poses a major obstacle to privatisation. The costs of pensions make public services less profitable, therefore driving down the cost can be a prelude to further privatisation, seen, for example, with the recent reforms of the pension scheme for academics in the UK. The response from the French trade union federations was militant but complicated. Official union membership is less than 10 per cent with 'seven "recognized" national federations'. Part of the problem, Simon (2011) argues, is that the 'unions had no intent of promoting large-scale actions, knowing well the reform will be adapted in the end' and that 'the government will only let them demand adjustment in details'. So despite mass protests the changes were made and further reforms implemented in 2013.

Spain is an example of three important phenomena in Europe. The first is being a representative of the offensive acronym the PIGS – Portugal, Ireland, Greece and Spain, countries that have stagnated under post-crisis austerity. The crushing of the public sector has combined with staggering unemployment levels; for example, in Spain unemployment is at almost 26 per cent. This includes 5.5 million people not receiving unemployment insurance while youth unemployment was estimated to be 57.5 per cent in 2014 (Seguín 2014). The second is the increasing tension of separatist movements across Europe. The movement for Catalan independence has been growing, with Spain refusing the possibility of a binding referendum. The possibilities of Scottish independence, the breakup of Belgium, the rise of other separatist movements and the withdrawal of the UK (with or without Scotland) from the EU has the potential to redraw national boundaries across the continent. The third – and potentially most optimistic – is the rise of left in Spain. The 15-M – or indignados – Movement started in the spring of 2011 with mass demonstrations and occupations of public spaces across the country. This movement has been channelled, in part, by Podemos and led to recent electoral successes, mounting a popular challenge to austerity.

The experience of Germany is different to both France and Spain. Austerity has had an impact in Germany, particularly with the implementation of work and welfare reforms. These began with the Hartz Commission in 2002. Peter Hartz, who was the personnel director for Volkswagen, was appointed to propose reforms which were duly implemented. Like in the UK, the involvement of the private sector in planning and carrying out neoliberal reforms predated contemporary austerity programmes (Heyes 2011: 648). The important difference with Germany lies in its structural position within the EU. The Eurozone has created significant benefits for the German economy: in particular it has provided markets for German exports within a single currency zone. This, along with internal reforms, has allowed Germany to restore profitability and mitigate the effects of the economic crisis. However, with the collapse of the Greek economy the contradictions of the Eurozone have come to the forefront. The ideological attempt to blame the peripheral EU countries masks the benefits that

Germany has reaped from the arrangement. The direction and the continuation of the EU is therefore dependent on the outcome of contestation at various levels in different locations.

The Transformation of Poland

The historical context in Poland is markedly different to the UK, France, Spain or Germany. The early 1980s saw the emergence of Solidarity, which while it 'began as a "free trade union", went on to demand elements of worker control of industry, developed the demand for a "Self-Governing Republic"'. Although there was a revolutionary crisis in Poland at the time, it was not workers' demands that would be successful in defeating totalitarianism, as martial law was imposed in 1981 (Barker 2002: 213). It would take until the late 1980s for the Communist Party to lose its grip on state power in Poland. This turbulent period saw the fall of the Berlin Wall and the collapse of the Soviet Union. Following these events there has been a concerted attempt to incorporate states in Eastern Europe into the EU.

The demands from the early 1980s have not been the driving force behind the changes in Poland. As Shields (2003: 225) argues, 'Solidarity failed in its historic mission to create a self-governing republic in 1989'. Although there have been different experiences across Eastern Europe, in general it has not been the 'embedded neoliberalism' of the existing EU member states, but there has been the 'export of a much more "market-radical" variant of neoliberalism' (Bohle 2006: 58). Bohle (2006: 61–64) has argued that the expansion of the EU can be best understood through a neo-Gramscian analysis that focuses on the role of hegemony at various levels. The first requires an understanding of the 'sphere of production' and the shifting social relations that have accompanied the 'dissolution of Fordism'. A crucial component of the project of European integration has been the attempt to restore global competitiveness. Gramsci's (1971: 106) notion of 'passive revolution' is therefore used by Bohle (2006: 75) to denote 'a situation of radical change pushed by elites whose ideas do not stem from the domestic context, but rather reflect international developments'. Thus, the integration of Poland into the EU has been spurred by the needs of capital in Europe and implemented to the benefit of the local elite.

The crisis of Fordism was addressed with widespread restructuring in Western Europe, serving to restore profitability – if only temporarily. However, in Eastern Europe the economy 'stagnated over the 1980s' and then 'experienced [the] total breakdown of its system'. The fall of the Soviet Union presented the opportunity to put into practice the 'shock doctrine' that Klein (2008) discusses, yet Shields (2003: 238) argues that, 'in a sense, "Shock Therapy" should have been impossible; change in socio-economic systems surely requires longer-term internalisation of new forms of behaviour'. Despite this, there was 'radical systemic change in Poland' which 'created the foundations of a new system in a matter of years'. This led to an 18 per cent unemployment rate by the start of 2002, meaning 3.2 million people without work, of which 80 per cent were not receiving benefits from the state. The trade union movement was significantly weakened in the 1990s, with falling levels of unionisation and a failure to organise in new or emerging industries. In a similar way to trade unions in the UK, France, Spain and Germany there has been a failure to 'define a counter-position to the dominant project of Europeanisation and neoliberal restructuring'. This is complicated by the 'legacy of both communism and anti-communism' and has resulted in 'nationalist and xenophobic forces' offering populist resistance (Bohle 2006: 77).

The processes taking place in Poland intensified with accession to the EU in 2004. The enlargement brought Poland – along with Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Slovakia and Slovenia – into the EU, moving the borders eastward to include over 70 million more people. In the run-up to accession and since then there have been significant changes in employment in Poland. Large transnational temporary staffing agencies began to expand into central and Eastern Europe (CEE), supported by changes in employment legislation at both the national and EU level (Coe et al. 2008). These agencies flourished with the legalisation of temporary employment in 2004, operating in a context of high unemployment and a significantly smaller public service sector than any of the previous countries' examples. There were further reforms in 2009 and 2010 to increase labour market flexibility, including changes to the structure of unemployment benefits and other initiatives funded by the EU. Over the past ten years the number of workers on 'a fixed-term contract, mandate contract and contracts for specific work has increased from 19.4 per cent to 26.9 per cent', the highest level of any country in the EU (Kałużyńska et al. 2014: 192). Since 2005 onward Poland has had right-wing conservative and liberal-conservative coalition governments. They have continued the integration with the EU with plans to join the single currency eventually. The effects of neoliberal restructuring have become increasingly clear: high unemployment, rising inequality, the transfer of wealth to a small minority and sweeping changes in the organisation of work. The rise of the far-right 'reflects the inability of the dominant forces to offer solutions to' these 'burning social problems' (Bohle 2006: 78). The recent history of Poland has involved successive defeats of labour and the rise of a new elite. At this point in time 'societal polarisation and continuous restructuring requirements . . . threaten to widen the gap within' society further (Bohle 2006: 78).

Conclusion

This chapter has sought to discuss the changes in employment in the UK, France, Spain, Germany and Poland. This has involved an understanding of the changing role of the state and the implementation of new employment policies. Across Europe there has been a concerted drive toward 'flexicurity'; however, the evidence indicates increasing precarity with no attendant benefit for workers. The overarching context within which the analysis takes place is one of neoliberal dominance. There is a vagueness with which the term neoliberalism is often deployed; in this case, it is taken to mean a class-based project to restore the profitability of capitalism. It has important ideological components and specific policy outcomes aimed at increasing profitability. In the broadest terms these have involved the breakdown of Fordism, while more specifically this has meant an end to secure and long-term employment. The two most important examples discussed in this chapter have been the privatisation and reorganisation of the public sector and the prevalence of new casual forms of work. The first directly exposes a relatively large group of workers to the pressures of capital accumulation – that might not have been the same before – while the second represents a significant shift in the balance of power from labour to capital.

There are specific implications for migrant workers in this context. It has become popular for governments and the media to blame the economic crisis on immigration. For example, in the UK all of the mainstream parties have taken the position that there is some kind of problem with immigration. Migrants therefore face multiple barriers when seeking to work in Europe: the official racism of the state that discriminates with visas and other entry restrictions, the exclusion from benefits and other protections from the state, the exploitation of informal work arrangements, and

the racism in society in general (often whipped up by the state and the media). The failure of the left and the trade union movement in general in this period has allowed other forces to articulate anger against the economic crisis and state response. The increasingly popularity of right-wing populist and fascist parties across Europe is a trend that has serious implications for the position of migrant workers, in terms of not only exploitation in the workplace but also the threat of street violence.

Although the current situation may seem unremittingly bleak, there remain possibilities for resistance to neoliberalism, capital and the state. The failure of contemporary trade unionism to challenge or contest the dominant logic in a national or European context is severely problematic. However, this does not mean that resistance is not taking place. The labour/capital relation remains necessarily antagonistic, pushing workers into conflict with supervisors and bosses, whether they are trade union members or not, and regardless of the machinations at the top of the trade unions or within parliamentary politics. The explosions of struggle in the UK in 2010, France in 2006/2010 and Spain more recently point to a potential future direction. The historic failure of Solidarity in Poland has made open struggle harder to find but certainly has not eliminated it. The rise of Podemos, while it does not offer a solution to the crisis of neoliberalism, is a popular and tentative step towards an alternative. This should be considered with reference to the rise of the far-right; there is a pressing need to put forward an alternative Europe, not one dictated by the Troika of unelected European institutions, but by workers across the continent – whether they were born here or not.

References

- Arestis, P. and M. Sawyer. 2005. 'The neoliberal experience of the United Kingdom'. In *Neoliberalism: A Critical Reader*, edited by A. Saad-Filho and D. Johnston. London: Pluto Press.
- Barker, C. 2002. 'Poland 1980-81: The self-limiting revolution'. In *Revolutionary Rehearsals*, edited by C. Barker. Chicago, IL: Haymarket Books.
- Beck, U. 1992. *Risk Society: Towards a New Modernity*. London: Sage.
- Bohle, D. 2006. 'Neoliberal hegemony, transnational capital and the terms of the EU's eastward expansion'. *Capital & Class* 30 (1): 57–86.
- Campbell, D., J. Ball and S. Rogers. 2012. 'PFI will ultimately cost £300bn'. *The Guardian*, 5 July 2012. <http://www.theguardian.com/politics/2012/jul/05/pfi-cost-300bn> (accessed 2 March 2015).
- Casas-Cortes, M., S. Cobarrubias and J. Pickles. 2015. 'Riding routes and itinerant borders: Autonomy of migration and border externalization'. *Antipode Early View* (Online Version of Record published before inclusion in an issue) <http://onlinelibrary.wiley.com/doi/10.1111/anti.12148/pdf>
- Coe, M. N., J. Johns and K. Ward. 2008. 'Flexibility in action: The temporary staffing industry in the Czech Republic and Poland'. *Environment and Planning A* 40 (6): 1391–1415.
- Duménil, G. and D. Lévy. 2005. 'The neoliberal (counter-)revolution'. In *Neoliberalism: A Critical Reader*, edited by A. Saad-Filho and D. Johnston. London: Pluto Press.
- Eurofound. 2015. *New Forms of Employment*. Luxembourg: Publications Office of the European Union.

European Commission. 2007. *Towards Common Principles of Flexicurity: More and Better Jobs through Flexibility and Security*. Luxembourg: Office for Official Publications of the European Communities.

European Commission. 2008. *Communication from the Commission to the European Council: A European Economic Recovery Plan*. Brussels: Commission of the European Communities.

European Commission. 2010. *Employment in Europe 2010*. Luxembourg: Publications Office of the European Union.

Gramsci, A. 1971. *Selections from the Prison Notebooks*. New York: International Publishers.

Harvey, D. 2003. *The New Imperialism*. Oxford: Oxford University Press.

Harvey, D. 2005. *A Brief History of Neoliberalism*. Oxford: Oxford University Press.

Heyes, J. 2011. 'Flexicurity, employment protection and the jobs crisis'. *Work, Employment and Society* 25 (4): 642–657.

Jones, O. 2012. *Chavs: The Demonization of the Working Class*. London: Verso Books.

Kałużyńska, M., P. Karbownik, W. Burkiewicz, K. Janiak and M. Jatczak, eds. 2014. *Poland's 10 Years in the European Union*. Warszawa: Ministry of Foreign Affairs.

Kingsley, P., A. Bonomolo and S. Kirchgaessner. 2015. '700 Migrants Feared Dead in Mediterranean shipwreck'. *The Guardian*, 19 April 2015. <http://www.theguardian.com/world/2015/apr/19/700-migrants-feared-dead-mediterranean-shipwreckworst-yet> (accessed 2 March 2015).

Klein, N. 2008. *The Shock Doctrine*. London: Penguin Books.

Lapavitsas, C. 2005. 'Mainstream economics in the neoliberal era'. In *Neoliberalism: A Critical Reader*, edited by A. Saad-Filho and D. Johnston. London: Pluto Press.

MacGregor, S. 2005. 'The welfare state and neoliberalism'. In *Neoliberalism: A Critical Reader*, edited by A. Saad-Filho and D. Johnston. London: Pluto Press.

Marx, K. 1990. *Capital: Critique of Political Economy, Volume 1*. London: Penguin.

Memon, A. and T. Knox. 2015. 'Welfare dependency and the size of the state'. *Centre for Policy Studies* 52.

Milios, J. 2005. 'European integration as a vehicle of neoliberal hegemony'. In *Neoliberalism: A Critical Reader*, edited by A. Saad-Filho and D. Johnston. London: Pluto Press.

Moulier-Boutang, Y. 1998. *De l'esclavage au salariat: économie historique du salariat bridé*. Paris: Presses Universitaires de France.

Moulier-Boutang, Y. 2011. *Cognitive Capitalism*. Cambridge: Polity Press.

Munke, R. 2005. 'Neoliberalism and politics, and the politics of neoliberalism'. In *Neoliberalism: A Critical Reader*, edited by A. Saad-Filho and D. Johnston. London: Pluto Press.

Palley, T. I. 2005. 'From keynesianism to neoliberalism: Shifting paradigms in economics'. In *Neoliberalism: A Critical Reader*, edited by A. Saad-Filho and D. Johnston. London: Pluto Press.

- Peck, J. 2013. 'Explaining (with) neoliberalism'. *Territory, Politics, Governance* 1 (2): 132–157.
- Schierup, C.-U., P. Hansen and S. Castles. 2006. *Migration, Citizenship, and the European Welfare State*. Oxford: Oxford University Press.
- Seguín, B. 2014. 'The syriza of Spain'. *Jacobin* 25 July 2014. <https://www.jacobinmag.com/2014/07/the-syriza-of-spain/> (accessed 2 March 2015).
- Shields, S. 2003. 'The "Charge of the Right Brigade": Transnational social forces and the neoliberal configuration in Poland'. *New Political Economy* 8 (2): 225–244.
- Simon, H. 2011. 'How the French pension system works'. *Insurgent Notes* 3.
- Syal, R. 2014. 'Romanian ambassador mocks MPs and media waiting for immigrants'. *The Guardian*, 2 January 2014. <http://www.theguardian.com/uk-news/2014/jan/02/romania-ambassador-jinga-mps-migrants-airports-godot> (accessed 2 March 2015).
- Tronti, M. 1971. *Operai E Capitale*. Turin: Einaudi.